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SATURDAY, JUNE 22, 1929

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Vol. XLIX No. 4.

Millard Publishing Co., No. 4 Avenue Edward VII, Shanghai, China 上海愛多亞路四號密勒氏評論報

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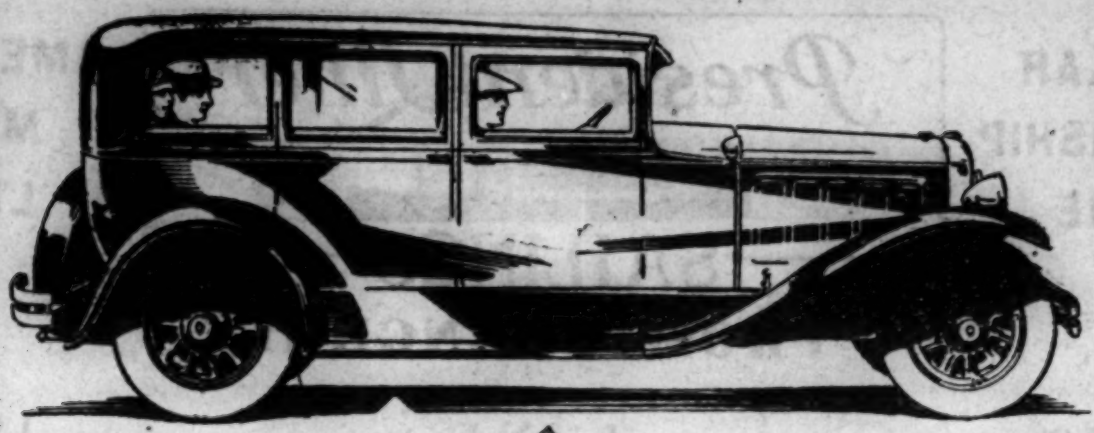

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THE CHINA WEEKLY REVIEW

Formerly Millard's Review

中華郵政特准掛號認定爲新聞紙

Registered at the Chinese Post Office as a Newspaper for transmission with special marks privileges in China

VOLUME XLIX SHANGHAI, CHINA, SATURDAY, JUNE 22, 1929 NUMBER 4

THE CHINA WEEKLY REVIEW

Formerly Millard's Review

Cable Address "REVIEWING SHANGHAI"

PUBLISHED AT NO. 4 AVENUE EDWARD VII, SHANGHAI, CHINA, BY MILLARD PUBLISHING COMPANY, INCORPORATED BY THE LAWS OF THE STATE OF DELAWARE, UNITED STATES OF AMERICA.

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CHINA'S FUTURE RELATIONS TO THE CONSORTIUM

MR. SUN FO'S recent recommendation to the Central Executive Committee of the Kuomintang suggesting the floating of a large loan on the security of the unexpended portions of the British and Russian Boxer Indemnities, has aroused considerable speculation regarding the future relations of the Chinese Government toward the International Banking Consortium which was formed in 1920 for the purpose of financing railway and other public construction projects in China. The Consortium really had its inspiration at the Versailles Conference and as a result of the suggestion of President Wilson, Mr. Thomas W. Lamont of J. P. Morgan and Company came to China and spent several months here and in Japan working out the plans, which were that the future financing of public enterprises in China was to be handled through an international group of bankers, the purpose being to break down spheres of influence and eliminate international financial rivalries in China. Mr. Lamont's chief problem was in inducing the Japanese to forego their exclusive claims in Manchuria, which they finally did, but according to common report in the Far East there was a sort of "gentlemen's" agreement that the Consortium would either stay out of Manchuria or at least give the Japanese the first chance on the financing of any railway or other enterprises of a public nature in that area. However, nothing has ever come of the high promises of the promoters of the Consortium because the Chinese refused to have anything to do with it and conditions in China since 1920 have not been such as to encourage foreign financing. Now it is rumored, according to reports from Washington, that President Hoover may decide to permit the Consortium agreement to lapse, because of the disinclination of American financiers to carry on with it, the reason for the changed attitude of the American bankers being due to the fact that a continuance of the Consortium would make it impossible for China to carry out her plans for unification of railways and standardization of railway equipment. The Consortium, as originally formed included groups of bankers in the United States, Great Britain, France and Japan. The American group was headed by J. P. Morgan and Company and included the National City Bank, Guaranty Trust Company, Chase National Bank, Lee, Higginson and Company, Continental and Commercial National Bank, Chicago, etc., while the British group was headed by the Hongkong and Shanghai Bank and included Baring Brothers, Chartered Bank, Rothchild and Sons, etc.

MAINTENANCE OF "PEACE AND ORDER" IN MANCHURIA

THE JAPANESE Government-owned South Manchuria Railway has just issued a handsomely bound and printed book of some 250-pages entitled "Report on Progress in Manchuria, 1907-1928," which contains the following paragraph dealing with the subject, "Peace and Order."

"By the Russo-Japanese war, the Russian Pacific Fleet with her Baltic fleet was practically annihilated. Subsequently most of the main squadrons of the other European Powers were withdrawn from Oriental waters and concentrated in the North Sea and Mediterranean Sea. After the Russo-Japanese war, a period of tranquility set in throughout the Far East. As to Manchuria, more enduring peace and order being fortunately maintained, the development and progress effected in this region during the past two decades were by no means inconsiderable, while revolutions, civil wars, or other political disturbances were unfortunately as frequent in China proper, after the establishment of the Republican regime, as at any time in the past. Indeed, Manchuria was the only region in the whole vast area of China which offered the benefits of peace and order to the calamity-stricken people of Shantung, Chihli, and Honan, who were driven out by famine and warfare, and tax extortion, prevailing specially during the civil war of 1926-1928. Order in Manchuria has thus been preserved for nearly a quarter of a century since the Russo-Japanese war without serious interruption, despite the frequent forays of Manchurian bandits upon isolated settlements. This has been achieved principally with the aid of the Japanese troops, while the military authorities of the Three Eastern Provinces, particularly Grand Marshal Chang Tso-ling, also played an important part in the maintenance of peaceful conditions. The railway guard of the Chinese Eastern Railway, one of the important factors in the maintenance of peace in North Manchuria, were formerly Russians, who were replaced by the Chinese in 1922. According to the annual report of this Railway, it pays to the Chinese guards each year from 3,500,000 to 4,100,000 roubles, which sum is recorded under the head of 'Expense for the Chinese Government offices.' Participating in the maintenance of order in Manchuria is costly to Japan. Though the number of railway guards is reduced to less than that allowed by treaty, Japan still has to spend more than 15,000,000 yen a year on soldiers and police in the Railway Zone and Leased Territory. And, in times of crisis, when civil war or other disturbance threatened the peace and order in Manchuria, in a way calculated to affect Japanese interests, the military expenditure increased. Maintenance of peace and order in Manchuria is vitally important, particularly to Japan, whose investments in the territory amount to some 2,000,000,000 yen; the territory is increasingly becoming the chief granary and source of raw material for Japanese industries. Japan has thus vital relations with Manchuria. In a broader sense, historically and politically, Japan can not permit any repetition of the bitter experience of the past —any disturbance of Manchuria which would affect the security of Korea and Japan, and ultimately the general peace of the Far East. Furthermore, 1,000,000 Japanese subjects, including 760,000 Koreans have their homes in Manchuria today. Japan would thus not be doing her duty in allowing Manchuria to become involved in any serious disturbance of tranquility."

Aside from the foregoing paragraph which constitutes an excellent exposition of Japanese "imperialist" policy in Manchuria, the book contains material dealing chiefly with the commercial, industrial and economic development that has taken place since the Japanese acquired control of the South Manchuria Railway. There are a number of charts and much statistical matter including an excellent railway map and numerous illustrations. In the back of the book is an appendix which contains reprints of the various treaties and contracts pertaining to the operation of the line. The book apparently has been issued for perusal abroad, possibly as the forerunner for another drive for an American loan.

REDUCTION OF DUTY ON MOTOR-TRUCK CHASSIS

THE CHINESE authorities in charge of the tariff schedules have shown their good judgment in authorizing a reduction on motor-truck chassis from 22½ percent to 12½ percent. Heretofore the rate for chassis, that is, motor-trucks without bodies attached, was the same as for fully assembled trucks or cars, 22½ percent. The result was no incentive for motor-car manufacturers to build up assembly plants in China; rather they have been building up extensive plants in Japan. Now, however, it will be advantageous for the large motor-car manufacturers to bring in chassis and then build the bodies in China, a process which in time will lead to the development of an automobile manufacturing business in China. It is a curious situation that in both China and Japan the market for motor-truck chassis is double the market for cars and tractors, the reason for this being that the purchasing power of the individual is low, hence the tendency has been for companies to be formed for the purpose of operating motor-buses. In view of the fact that China requires a special type bus which is not used abroad, it has been necessary to construct the bodies here. The reduction in tariff rates on chassis should stimulate this business, and as stated, provide the nucleus for the development of a motor-car manufacturing business in China, because motor-car manufacturers will gradually discover that more and more of the parts can be made in China as Chinese labor becomes more skilled in this line of work. The development of motor-roads and the organization of companies for the operation of motor-buses in China has been nothing short of phenomenal, the reason being that this sort of transportation requires comparatively small capital as compared with the construction of railways. Later on when China is in a position to build railways, it will be found that the motor-bus lines will provide an important asset as feeders for the railways which are cheaper for transporting passengers and goods over long distances.

MR. FESSENDEN'S TRIP TO THE UNITED STATES

MR. STIRLING FESSENDEN, for eight years Chairman of the Municipal Council of the Shanghai International Settlement and recently appointed Director-General of the local government, has announced his intentions of taking a trip to the United States. While it has been announced that Mr. Fessenden's trip is merely a vacation, it was stated that he would visit Washington, which leads to the supposition that it is Mr. Fessenden's purpose to confer with officials of the U. S. Government regarding the problem of the International Settlement. An article appearing in *The China Press* which referred to Mr. Fessenden's trip also suggested the possibility that the Settlement authorities might send another representative to London on a similar mission. It was a coincidence that at the same time this move on the part of the Settlement authorities was announced, that the Central Executive Committee of the Kuomintang, the highest organ in the National Government, passed a resolution:

> "That all work for the abolition of all unequal treaties, including the abrogation of the foreign consular jurisdictions and the retrocession of foreign concessions, be completed within the shortest time possible."

While Mr. Fessenden's trip to the United States may not be directly concerned with the recent action of the Central Executive Committee of the Kuomintang pertaining to the retrocession of the Concessions, it is no secret that the Chinese Government's recent moves in respect to the abolition of extraterritoriality, have a direct bearing on the status of the International Settlement. Hence, looking at the situation from the standpoint of the Settlement authorities, it is timely that something he done in the direction of an understanding with the Powers because a relinquishment of extraterritoriality, without conditions attached, would immediately spell the doom of the foreign settlement as at present administered. Therefore, Mr. Fessenden's trip to Washington is timely and much depends upon the outcome of his conversations with Washington officialdom. What Washington's intentions are in respect to the future of the Shanghai Settlement are not known, further than a statement by Mr. Kellogg sometime ago that the United States was ready at any time to participate in a regularly constituted conference with representatives of the Chinese Government for the purpose of determining the future status of the foreign area here. Likewise, it was not known at the time of writing, what Washington's intentions are in respect to a relinquishment of extraterritoriality. It is known, however, that the American Government is obligated to take action on this question shortly because of the early expiration of the Sino-American treaty and because of a resolution recommending the negotiation of a new "equal" treaty with China on the subject which was passed by the House of Representatives on Jan. 4, 1927 which is referred to in an article by Congressman Porter of the House Committee on Foreign Affairs which appears elsewhere in this issue of *The Review*.

Although many Chinese are opposed to the holding of a conference between China and the Powers on the question of the rendition of the Shanghai International Settlement and would prefer an outright "taking over" of the Settlement similar to what happened in the case of the British Concession at Hankow in 1927, most Chinese, particularly those of the propertied classes prefer the "conference" method because it would create less disturbance of business and would tend to provide more stability for the future from the standpoint of taxation and police protection. Strange to relate, however, the strongest opposition to a conference between China and the Powers on the question of the rendition of the International Settlement, has come, not from the Chinese, but from certain classes of foreigners in Shanghai who have been hoping [illegible] through some method of legerdemain or [illegible]ise that China might be prevented from ever obtaining control of the Settlement. It has been this class of foreigners which has been responsible for the suggestion that Shanghai should declare itself an independent state, build up a standing army and tell both China and the Powers to go to! Fortunately, however, the advocates of such methods are in the minority, most foreigners who have given the question serious thought realizing that it would be better to settle the Shanghai question peacefully rather than riotously, as happened in connection with the taking-over of the British Concession at Hankow in 1927 by the radical National Government then in control of that city. The greatest stumbling block to a peaceful solution of the Shanghai problem is the Shanghai Municipal Council and reactionary interests depending upon the Council for support, hence there is a possibility that the Powers may arbitrarily dissolve the Shanghai municipal administration as they attempted to do in 1925 and create in its stead a commission form of government that would be directly responsible to the Powers and to China as a preliminary step to the rendition of the Settlement or the creation of a new form of administration here that would end the present abuses and at the same time be satisfactory to both China and the Powers.

The Present Status of Sino-Russian Relations

WHILE MANY NATIONS, particularly the United States of America, have worked out elaborate and unusual mechanisms for dealing with the U. S. S. R., it has remained for China to drift into the queerest diplomatic relations of all. Mutual recognition between China and Soviet Russia was brought about by the Koo-Karakhan agreement of 1924, which was actually negotiated by Karakhan, the Soviet representative and Dr. C. T. Wang, now Foreign Minister of the National Government. Karakhan was appointed Ambassador to China, the first foreign emissary to be accorded that rank in the old capital at Peiping. Then China appointed Mr. Sun Pao-chi as Chinese Ambassador to Moscow, but he never assumed the position. Beginning at Canton in 1926 when the National Government was first formed and following the removal of the National Government to Hankow in 1927, Soviet Russia and National China enjoyed the closest possible friendly relations even to the extent of an alliance which provided for the wholesale employ-

ment of Soviet advisers by the Chinese National Government and the supplying of arms and munitions to the National Army. Then Marshal Chang Tso-lin, dictator of the Peiping Government, angered at the Soviet support to his political enemies in South China, suddenly staged a raid on the grounds and buildings of the U. S. S. R. Embassy in Peiping and as a result Ambassador Karakhan went home to Moscow where he is still supposed to enjoy the title of Ambassador to China, on leave, while at the same time holding the position of director of Far Eastern Affairs and Commissariat of Foreign Affairs at Moscow. After Chang Tso-lin staged his raid on the Soviet Embassy in Peiping with consequent exposure of diplomatic documents, the Russian Government withdrew all diplomatic representation from Peiping, but kept a Russian consular staff in the Embassy building located within the Legation Quarter. Soviet Consulates were also maintained throughout North China under the regime of the Mukden Dictator and are still maintained throughout North China although that region is now under the control of the National Government.

In South China, however, relations with the Soviet Government, have materially changed from the high point of Sino-Russian friendship of 1926-1927. When Generals Chiang Kai-shek and Feng Yu-hsiang first met in the town of Hsuchowfu in northern Kiangsu in 1927 and agreed to cooperate, one of the first things they did was to warn the Soviet Russian adviser, Mr. Borodin and his staff, to get out of Hankow and South China. Marshal Feng Yu-hsiang sent the fateful message and provided Borodin and his associates with safe transport back to Russia over the long trail leading through Shensi, Kansu and Mongolia to Siberia. The split between Gen. Chiang Kai-shek and the radical National Government at Hankow largely hinged on the issue of Soviet advisers and so-called communist intrigue, but finally involved the Soviet Government, culminating in the arrest and expulsion of Soviet consular representatives in December, 1927 from Canton and the Yangtsze Valley. The Soviet Consulate at Canton was raided and destroyed and several officials of the consular staff were executed by a Chinese military firing squad. The consular staffs of the U. S. S. R. at Hankow and Shanghai were deported, although there was no personal violence as at Canton. Up to the time of the recent raid of the Soviet Consulate at Harbin, Sino-Russian relations have continued in this curious status; the consulates in Central and South China have been closed, but those in North China have been permitted to function. The Chinese Charge d'Affaires, Mr. Chu Shao-yang, has continued to function in Moscow, although he is now back in Nanking on leave and Chinese Consulates have been permitted to function in various parts of Russia, notably at Vladivostok. Then in addition to the Soviet Consulates in North China the Chinese and Soviet Russians have continued in joint operation of the Chinese-Eastern Railway at Harbin, with no more than the usual amount of squabbling despite the fact that the Chinese have been gradually whittling down the Russian privileges on the Railway. Immediately following the Chinese raid on the Soviet Consulate at Harbin, Karakhan sent a sharp note to the National Government, incidentally a much sharper note than any so-called "imperialist" government has ever sent the Chinese Nationalists, even including the time of the Nanking incident of 1927. Karakhan at the same time told China that if there is any more of this kind of "foolishness" that Russia will withdraw extraterritorial privileges accorded to Chinese consulates and the Chinese diplomatic mission in Moscow. At the same time the official Moscow newspapers have been saying things about National China that are quite the opposite of the nice things which they were saying in 1926-1927, as an example of which the *Pravda* on June 2 was quoted as warning, "Hands off Soviet Representatives.....the time has come for ruining reckless imperialisms.....there's a limit to everything." The *Izvestia* declared that China's action in raiding the Harbin Consulate "displayed an entire neglect of the basic principles of international law." In reference to the documents which the Chinese authorities have made public, the *Izvestia* declared that they were "previously prepared forgeries in order to prove the violation by the U. S. S. R. of the existing agreements and in such a manner as to cover the revolting violation of these agreements by the Chinese side." In reference to the Chinese charges that a secret meeting of members of the Third International was being held in the basement of the Harbin Consulate, the Moscow official paper declared that of the thirty or more arrests in the consular building, only three or four were arrested in the basement of the building and they were in the dining room which is in the basement, while the remainder of the Russians arrested were in the passport-office obtaining passports or visas in the ordinary course of business.

As most persons realize, the raid on the Soviet Consulate in Harbin was a direct result of the crisis between the National Government and Marshal Feng Yu-hsiang, the obvious purpose being to discredit the Christian General through the disclosure of allegedly documentary evidence showing his close relations with the U. S. S. R. Despite the noise which has been made regarding the other documents seized, this has not made a very deep impression on anyone of intelligence, because the raiding of almost any other foreign consulate in China would disclose equally "incriminating" documents from the standpoint of the Chinese Government and Chinese institutions due to the fact that it has always been the chief business of foreign consulates in China to collect such material pertaining to the Chinese Government as well as material pertaining to other foreign governments with interests in this part of the world. It has been one of the curious results of the present Sino-Russian deadlock, that the National Government, having "suspended" relations with the Soviet, is therefore not in a position to send any official diplomatic protests to the Moscow Government. On the other hand, Soviet Russia, which officially at least, has not boken off with China, is perfectly free to bombard Nanking with official protests whenever the U. S. S. R. desires to do so. The question which Nanking faces is this: Can the Chinese National Government afford to let the U. S. S. R. become a foe? To certain countries not possessing a contiguous boundary such as China and Russia possess, this question would not be difficult to answer, or at least it would be considered a more or less petty question, so long as open warfare were averted. But China literally has Russia on her back and doubtless must feel the weight in innumerable ways. This is especially true from the standpoint of Feng Yu-hsiang, who probably has little love for the Soviet and the Soviet probably has

small love for him, but necessity often makes strange bed-fellows as has proved in the cases of Marshal Chang Tso-lin and Japan. When Marshal Chang Tso-lin once took a strong stand toward Soviet interests in Manchuria, the U. S. S. R. gave him a three-day ultimatum; they became friendly after that. It is extremely improbable that Russia would do anything to harm Marshal Feng Yu-hsiang and if the Christian General is forced out, they might grant him refuge as they did on a previous occasion. But if Russia wanted to take a strong stand in support of Feng, she probably could in a pinch, supply him with a considerable amount of arms and munitions over the motor road which connects the Trans-Siberian Railway with Feng's territory thorough Mongolia, Kansu and Shensi.

Then there is the matter of the Chinese-Eastern Railway which was placed, according to the Koo-Karakhan treaty, under joint management and control of the two countries. Recently there have been rumors that China might demand complete control of the road as a result of the recent crisis over the Harbin consular raid, but the Soviet has been quick to counter by reminding China, unofficially of course, of the fact that under the Portsmouth treaty which ended the Russo-Japanese War, that Russia has the legal right to send some 25,000 troops into North Manchuria similar to the Japanese force in South Manchuria which is stationed along the South-Manchuria Railway and in the Liaotung leased territory. When the Japanese and Russians renewed relations, they specifically "legalized" the old Portsmouth treaty and according to report, when China resumed relations with Russia in 1924, both Russia and Japan were silent when China made inquiry on the matter of the legality of the Portsmouth treaty. However, should Russia take such an action now, unless it was in accordance with an understanding with Japan, it would be certain to stir up an international hornets-nest, the like of which has not been seen since the World War. It is possible of course that if Dr. Wang decides to simply withdraw the Chinese diplomatic and consular officials from Russia in accordance with the suggestion in the recent Karakhan note, that nothing serious might happen, but of course there is the problem whether such a make-shift might not eventually prove worse than a firm stand one way or the other. This probably is responsible for the unofficial reports from Nanking that there are to be no half-way measures and the present impasse will result either in a complete break in relations or a complete renewal on a newer and more satisfactory basis.

The *Japan Advertiser* on June 10 reported that Dr. C. T. Wang, National Foreign Minister had made unofficial inquiry of Mr. Yoshizawa as to the Japanese reactions on the question of Sino-Russian relationship, or in other words, China wanted to know what attitude Japan would take if China should decide to completely sever diplomatic relations with the U. S. S. R. In addition to this the Chinese newspapers have hinted at the possibility of a sort of triangular understanding between Great Britain, Japan and Soviet Russia on China questions, the new alignment having been made possible through the assumption of Office of the Labor Party in England which is pledged to a resumption of diplomatic and trade relations with the Soviet. One of the Chinese newspapers in Shanghai went so far as to state with certainty that the British Conservative Government had already reached a secret understanding with Japan on questions pertaining to China, said questions dealing with extraterritoriality, the foreign concessions, navigation of Chinese waterways, the Chinese tariff and other matters. Most of these questions are naturally speculative, but while they are speculative, they probably will be included in any serious consideration which the Chinese Government is now making in respect to its relations with Soviet Russia. That the coming into power of the Labor Government in England will naturally affect the status of the U. S. S. R. in the Far East is obvious, because it will immediately cause a cessation of the underground intrigue which British organizations have been conducting against the Soviet in the Far East. That British intrigue and propaganda has had much to do with the attitude of Chinese officialdom toward the Soviet goes without saying, even if one discounts completely the recent testimony of Captain Eugene Pick (referred to in last week's issue of *The Review*) on the question. If one should presume to give China advice on this important question of her relations with the U. S. S. R. it would be along the line that China should pay less attention to the foreign propagandists who have axes to grind and base her relations with Soviet Russia purely on her own self-interests and welfare of her own nationals. The United States Government has in general followed this course in its relations with the U.S.S.R. and has not "blown hot and cold" as has been the experience in the relations of most other countries with the Soviet. The United States Government has not accorded the Soviet Government diplomatic recognition, but it has not participated in the world-wide propaganda and intrigue against the Russians which has characterized the attitude of various European Governments. On the other hand the United States has permitted American citizens to trade with Russia and this trade now exceeds the trade of the two countries preceding the World War.

Destroying the Case for Extraterritoriality

THE FOREIGNERS, in their defense against China's demand for an abolition of extraterritoriality, have always pointed to the inefficiency and alleged corruption of Chinese courts and have insisted that the Powers should maintain their special rights until such time as China is in a position to dispense justice on a par with the foreign courts. With this element in mind, it is interesting to examine an exhibition of justice as dispensed by foreigners in Shanghai this week when the local British Court arraigned a number of British subjects most of them local municipal employes and adjudged them guilty of frequenting a gambling resort where roulette was played. All of the British subjects arraigned in the local British Court were caught in the recent "siege" of the "Wheel" located at 151C Bubbling Well Road, referred to in recent issues of *The Review*. They were all "bound over for an indefinite period not to visit gambling houses in the city; in accordance with the Judge's decision. In handing down his decision,

the Court Registrar, Mr. Martin, stressed the need for action by the Shanghai Municipal Council against the "nuisance" of gambling in Shanghai and stressed the evils arising from commercialized forms of gambling such as the wheel, pony and dog racing.

But, as stated in previous issues of *The Review* while this was taking place in the local British Court, other British subjects, several of them prominent businessmen and others officials of the Municipal Government of the International Settlement, are engaged in the operation of the most notorious gambling institutions on the China coast, the greyhound pari-mutuel gambling tracks, all of which are manifestly illegal under British law and could not be operated in England. But despite this element, these institutions are permitted to operate in the International Settlement for the wholesale debauchment of the Chinese and the enrichment of a handful of influential foreigners who are the proprietors of the tracks.

The British Court Registrar deserves credit for mentioning other forms of gambling in the International Settlement, in other words *pony and dog racing*, but no steps are being taken officially to put a stop to these *other* forms of gambling because of the influential positions of the proprietors, many of whom, as stated previously actually occupy positions in the government of the Settlement. As indicated in last week's issue of *The Review*, the articles of association of the Greyhound Association of China, Ltd., the proprietors of "Luna Park" one of the leading greyhound gambling places in the city contains the names of Messrs. W. R. B. McBain, a former member of the Municipal Council and M. O. Springfield, a prominent member of the Police Department of the International Settlement. Then, in addition to these names, it is reported on good authority that a prominent British member of the present Municipal Council is, or recently has been, heavily interested in the same "Luna Park."

It is on this point that the whole contention of the foreigners against the abolition of extraterritoriality and against the rendition of the International Settlement, breaks down, because of the fact that the foreigners themselves are the worst law-breakers of all—breakers of the laws of China and their own home countries, as well as the regulations of the International Settlement itself. When the Shanghai Consular Body and the Shanghai Municipal Council fail to take action on this question, they obviously forfeit any rights which they may claim to have against the contention of the Chinese that the foreign concessions should be abolished and the authority of the Chinese Government asserted over all who reside on Chinese territory. If the Shanghai Consular Body and the Shanghai Municipal Council were really sincere in their desire to suppress gambling, there is a clear way to do it and to do it legally. The Shanghai Land Regulations (charter of the city) contain the following regulation, "No, XXXIV:—No person shall open or keep a..... place of public entertainment.....or place for the sale.....of lottery tickets or chances in lotteries....." This clause in the Land Regulations undoubtedly gives the authorities power to act in the suppression of gambling, whether the gambling is roulette, pony, or dog racing. All that it is necessary for the police to do is obtain evidence that the law is being violated, following which they should be able to discover from the tax revenue office the nationality of the proprietor of the place where the gambling is being conducted. Then it should be a simple matter to bring an action in the Consular Court of the nationality of the person who is operating the gambling institution. In the case of the greyhound gambling places, the proprietors are British and the companies are registered in the local British Consulate-General, hence it should not be difficult for the local authorities to obtain all the evidence needed to convict the proprietors in the local British Court. In the case of the roulette place, popularly known as "The Wheel" the reputed proprietor, or at least leasor of the flat at No. 151C Bubbling Well, is said to be of Mexican nationality. Whether this is correct or not, we are not in a position to say, but an examination of the tax receipts in the revenue office should tell the real story. With this information and evidence that gambling is being conducted on these premises, it should be a simple matter to bring an action against the proprietor before Mr. N. F. Allman the local Mexican Consul. This would be the legal and effective way of stamping out gambling in the International Settlement and would also be effective in preventing a recurrence, but instead of this the Municipal Council stages a spectacular "siege" in the street before one of the roulette places and then hails the visitors into court on charges of "frequenting" an alleged gambling place, and in the case of the greyhound pari-mutuel gambling establishments, nothing at all is done except to warn the proprietors to *restirct* their races to one night a week. Thus is justice administered in the International Settlement and thus are the Chinese people and their government provided with the best possible argument for the sweeping out of the whole system of extraterritoriality and the evils which hide behind it.

No one expects Shanghai, a cosmopolitan seaport, to be an example of "heaven on earth" and likewise no one expects that it would be possible to suppress gambling entirely. There has always been gambling of some form or other in the foreign settlements, but usually it has been kept within bounds. The Shanghai Municipal Report for the year ending December 31, 1904—a quarter of a century ago—contains an interesting account of an attempt to close a gambling institution which was quite similar to the present spectacular actions of the local police department. In that case the American Consul-General, Mr. John Goodnow, who was Senior Consul, took a strong stand for the utilization of *legal methods* in the suppression of gambling and according to report, his advice was effective in forcing the closing of the offending establishments. There is only one possible excuse for the operation of gambling institutions at Shanghai and that should be for the purpose of producing revenue for the Chinese Government, providing the Government wished to utilize such revenue-producing methods, as certain governments over the world do. But there can be no possible excuse for foreigners to operate gambling institutions at Shanghai which are in violation of the laws of their home countries, because the profits go into the pockets of the foreigners, hence do not benefit the Chinese Government or anyone else. Furthermore, such practices have a most demoralizing influence from the standpoint of western prestige, and as emphasized before, it completely destroys the claims of the foreigners for the special protection which extraterritoriality and the foreign concessions are supposed to provide for those who are engaged in legitimate business and professional activities.

Pick Case Drags in Shanghai Provisional Court

The trial of Eugene Pick (alias Kojevnikov, etc.), former Soviet spy, then "exposer extraordinary of Bolshevism," C.I.D. informer, British spy, and distinguished but anonymous contributor to the *North-China Daily News*, the official British organ here, continues in the Shanghai Provisional Court, with charges of fraud, forgery, etc., against Pick and two other men, Maurice Levitsky and Leonid A. Gordin.

On Friday, June 14, the whole day was devoted to the case before Judge Chau, with J. van den Berg on the bench as Senior Consul's Deputy. Chang, the complainant, who charges that the defendants defrauded him of $12,000 by promising to obtain for him a night club (or gambling house) license, was put on the stand. He had previously testified that he had made no report to the police until about the time of the arrests last month, but at the June 14 hearing he said that he had gone to C.I.D. Superintendent Gilbert about September 11, 1928, to ask about the matter, and was told that Born (the name by which he says he knew Pick) was not on the police force here. He denied that he himself was an employee of Nieh, the latter was the owner of gambling houses. Asked if Nieh was in the arms business, and had sold 350 Thompson machine-guns to Chang Tsung-chang, witness refused to answer, and said it had no connection with the case.

Questioned by Judge Chau, Chang said he had given Pick the $10,000 in bank-notes. He could not produce any evidence that he had paid this money, however. Judge Chau then asked the police to find the photographer who took the pictures (showing the signatures alleged to be forged to the document involving fraud), and to get the negative, which would show what the document really was in reference to. (The main part of the document, the agreement or license itself, was torn off by the complainant, and only photographs of the signatures and seals have been produced as evidence.)

In the afternoon "handwriting experts" were called by the prosecution, to testify as to the similarity of Pick's handwriting to that of the allegedly forged signatures. Pierre Chazelle, Chief of the C.I.D. of the French Concession, who had studied handwriting in Paris and worked there, gave his opinion that it was possible that the same man who had written papers admitted to be Pick's had written the signature "G. Cunningham," also a third signature, which appeared on the document involving the alleged fraud. He found some similarities, but not sufficient to make an absolute statement. He had studied handwriting for some twenty years.

Detective-Sergeant J. C. Dickson, of the Finger-Print Bureau of the C.I.D., who "had made a superficial study for several years and a particular study for some months," found many points of similarity, and testified with a certainty quite lacking in Chazelle. "Recently it was required of him that he make a study of handwriting," and he had done so. He had carefully studied the documents in the Pick case, and was certain they were all written by the same man. With regard to the main document, he testified that Pick's handwriting was clearly to be seen in the signatures of Cunningham and Blackburn (whereas M. Chazelle found no resemblance whatever in the latter signature). He could recognize the "o" in Blackburn. He knew Consul Cunningham's initials, which were "E.C." Witness was not asked if he could read English.

"China in the Grip of the Reds"

A note-book found on Pick at the time of his arrest was introduced in court, also a book found in Levitsky's lodging, "China in the Grip of the Reds," written by the chief defendant and published by the *North-China Daily News*.

Detective-Inspector Robertson, of the Political Department of the Police, gave testimony as to Pick's services as informer, and as to his own knowledge of the case. Superintendent Gilbert of the C.I.D. then testified as to Chang's visit to C.I.D. headquarters to see Captain Clarke. He had inquired about Born, but had made no charge.

Acting Superintendent Yorke, asked about Pick on the stand, said he wanted it distinctly understood that he had never known Pick personally and had never spoken to him. "I refuse to know Mr. Pick, and have resolutely refused to know him or speak to him at any time. Captain Clarke wanted me to meet him, and I absolutely refused to be introduced to him." Even a detective, it appears, may be more particular about his acquaintances than some newspaper editors.

Zau Pao-fu, employed in a foreign import-export and commission house together with Levitsky, testified that this defendant had stated he needed a man as interpreter, and had introduced his friend Yao. The firm was know as the Far Eastern Information Bureau. So far as he knew no business had been done, as the firm was short of capital. The office had been open for four or five months.

At the outset of the hearing Mr. Schuhl, attorney for Pick, asked the court for permission to correct a statement made by Pick at the first hearing of the case, from which it had been understood that five men in the police had received certain gambling bribes. There were really only four involved, the mistake being due to Pick's inadequate knowledge of English. Pick confirmed this.

The next hearing was set for the afternoon of Wednesday, June 19, when Police Prosecutor Bryan reported that with regard to the photograph which Chang had had made from the original document, the police had searched various photograph studios in the Settlement for the negative of this, but so far without success.

Following this Yao Ching-ming was called to the witness box.

Yao gave his occupation as a shop employee or salesman. He had been working for a shop on Peking Road from December 1927 to December 1928, but lost his job on account of the present case. Asked for the name and address of the shop, he said it was now out of business, in fact had been out of business for several years. He had never been employed in a gambling house.

He testified to having met, through his friend Zau, the defendant Levitsky, who had introduced him to the first defendant (Pick), giving the latter's name as Born. They had gone to see Chang (the complainant) together. Though he had been employed presumably as interpreter, he had done no interpreting, the business having been carried on between the various parties in the English language, which Chang spoke, but most of which he could not hear as he sat on the outside of the group.

His story of the meetings was similar to Chang's own accounts, but there were some discrepancies. He also spoke of the auto trip to the British and American Consulates. Last month he had seen Pick on the street and had gone to Chang and told him that the swindlers were now in Shanghai. He did not say how he came to regard them as swindlers.

Yao's original statement to the police was read to him in court, where he stated that "Chang wanted to open a gaming house" and "wanted to get a license for a gaming house." He said these were both wrong, and that "night club" was what he meant. This was all he had heard discussed. He had never seen money pass between the men.

He had met the third accused (Gordin, the alleged "American Vice-Consul") September 9 or 10 last year. He was certain of the date. Asked when he had made his recent statement to the police, he did not know,—perhaps one or two weeks ago though he was not sure.

On cross-examination, witness was rather mixed up on details of his meetings with Chang and the others.

At the end of the hearing, Attorney Schuhl asked that the criminal records of Chang, the complainant, and Nieh, complainant's friend or employer, be brought to the court at the next sitting. The court so ordered.

Certain papers taken from Pick at the time of his arrest, which Attorney Schuhl at the previous hearing had asked be brought from the Police Station and turned over to the court, were produced at the conclusion of the day's session, including an S.M.P. police license, a Tientsin British Concession Police license, a license to carry arms, a pass-book as staff of British Military Intelligence, etc. Pick says the police also took from him a letter from O. M. Green, editor of the *North-China Daily News*, which had not been produced and turned over to the court.

The next hearing of the case was set for the afternoon of Wednesday, June 26. There seems to be no desire to dispose of the matter at an early date, and it may drag out for several weeks or a couple of months at the present rate.

Mme. Sun to Remain in Shanghai

Rumors to the effect that Mme. Sun Yat-sen is arranging to take up her residence in Hangchow are now said to be incorrect. According to the report which has been circulated, a a secretary has been sent to Hangchow to make arrangements for Mme. Sun's coming and the "Chiang Villa" has been selected for her residence. It has been learned, however, that she will remain for some time in Shanghai, where she came on June 2 following the State Burial of Dr. Sun Yat-sen.

Can the Chiang-Feng Question Be Settled Politically?

There is much evidence that the long political controversy which has existed between the Central Government and Marshal Feng Yu-hsiang, or "the Feng-Chiang controversy" as it is generally termed, has practically reached a crisis, but while many weeks have elapsed since the trouble began, it is even yet impossible to determine whether the trouble can be settled politically, or whether it will develop into another war. The chief difficulty in determining what is likely to happen has been due to the secrecy which has been maintained regarding the action of the Central Executive Committee of the Kuomintang, which has just concluded its conference at the national capital. On June 18, the closing day of the Conference, the newspaper reports from Nanking stated that the meeting had approved the report of the standing committee regarding Feng Yu-hsiang, but no details were given as to what the actual decision had been, further than a decision to commend Han Fu-chu, Shih Yu-san, Ma Hung-kwei and Hsi Yin-tsi (subordinates of Feng) who had demonstrated their loyalty toward the Central Government. The Government had recommended leniency in dealing with them and at the same time Gen. Yen Hsi-shan, head of the Shansi provincial government, was appointed to "comfort and prevent them from being coerced by Feng again. Gen. Yen was also appointed to manage the "rehabilitation" of the Northwestern military affairs.

Manifesto of the Meeting

The "manifesto" of the Conference, which was issued to the press on June 19 contained several paragraphs which obviously referred to the issue with Marshal Feng Yu-hsiang, although his name did not appear in the English translation. This part of the declaration said in part. "We really should entertain no fear for the militarists of the old regime, not for counter-revolutionary activities, not even for the dangers of feudalism.....in order to prevent the militarists from having their way, we must do all we can to show something constructive and to train the people for real political democracy..... it is only thus that counter-revolutionary measure can be suppressed and national equality won....." The remainder of this part of the manifesto declared that the recent conference of the Central Executive Committee considered the greatest danger to the country to be "national inertia and moral apathy." Continuing, it said, "If we succeed in suppressing the militarists of the battlefield and are unable to conquer our lethargic spirit, then indeed, it is difficult for the nation to reap the fullest benefit from the revolution.....In order to attain peace, we must have unification, and yet it is impossible to attain real unification without removing all the obstacles which the regime of militarism has chosen to cast upon the nation and in order to prevent the militarists from having their way, we must do all we can to show something constructive.

The remainder of the manifesto dealt with the subjects of "Constructive Work," "Political Unification," "Unequal Treaties," "Development of District Autonomy," "Six Years of Political Tutelage," and the "Hopes and Fears" of the Party. Perhaps of most importance was the decision to limit the "Period of Political Tutelage" to six years and to outline a definite political program for completion in that period. From the standpoint of the "unequal" treaties, it was voted to intensify the present campaign for abolition of extraterritoriality and for rendition of the foreign concessions. "The unequal treaties must be done away with at whatever sacrifice.....we should proceed with an attitude of determination and with a method which is really practicable."

Considerable was also said in the manifesto regarding the elements of national reconstruction and the promotion of local self-government, it being stated that the promotion of local self-government is the most important part of the duties of Party members. The preamble to the manifesto stated. "The unification of China is now completed; the State Burial of Dr. Sun Yat-sen has been held.....the aim of the present Conference has been to concentrate upon the purely constructive side and to submit those fundamental questions with which the nation is now confronted to the most careful consideration in order that we might be able to decide upon the policy of the Party and Government, which must be one that can be fully realized and fulfilled."

Present Status of Feng Case

In further reference to the action of the Central Executive Committee regarding the issue with Marshal Feng Yu-hsiang, Gen. Chang Chung, the Mayor of the Municipality of Greater Shanghai, was quoted in the *Sin Wan Pao* on Thursday of this week as saying that the Central Government has been invested with plenary power to deal with Feng and if necessary a punitive order will be issued by the Government. The same paper, in another report froh Nanking, stated that while many appeals had been received by the Government urging a punitive expedition against Feng, the Government had decided to exhaust all other methods and in consequence had "postponed the military campaign on account of the serious plight of the people in the Northwest, for which Feng was solely responsible. Continuing, the report declared, "If political tactics fail, the Central Government is prepared to dispatch 500,000 troops," and concluded by stating that Gen. Yen Hsi-shan of Shansi provinse, had agreed to cooperate and that all generals in Szechuen province had also sent messages to Nanking agreeing to assist in the fight.

Are Feng and Yen to Meet?

Perhaps the most significant news on the question of Feng's actual intentions appeared in the Chinese newspapers on June 20 in the form of a dispatch from Taipuanfu, the capital of Shansi province stating that Gen. Yen had received a message from Marshal Feng stating that Feng's family consisting of his wife and daughter had arrived at Hwaying from Sianfu and were expected in Yuncheng, Shansi shortly and that Marshal Feng was also proceeding to Yuncheng immediately for a conference with Gen. Yen Hsi-shan when the relations of the two generals would be definitely established. What is likely to come of this conference, if it is held, is impossible to say, but reports in Shanghai are to the effect that there is little likelihood of Feng Yu-hsiang voluntarily relinquishing his position and going abroad, even though Gen. Yen Hsi-shan should agree to go with him. It is therefore thought more likely that Feng and Yen will work out some plan of operation in the event of the Central Government deciding to launch a drive against Feng, some believing that Yen will remain neutral despite reports from Nanking that he will cooperate with the Government. As indicated in previous considerations of Gen. Yen's position in these columns of *The Review* it has been explained that in the event of war against Feng that Yen will in all probability have to stand the brunt of it due to the fact that Shansi province is accessible from the western border and in consequence, Marshal Feng probably would invade Shansi immediately. It has been due to this element that Gen. Yen has exerted himself and continues to exert himself on the side of peace and has apparently has left no stones unturned in his efforts to work out a peaceful settlement of the issue between Feng and the Government.

Present Military Situation

The most important phase of the situation from a military standpoint, was the announcement on June 20 that Gen. Chiang Kai-shek will depart immediately for Hsuchowfu (northern Kiangsu) where an important military conference will be held, the conference to be participated in by all of the Northern commanders who are likely to participate in the expedition against Feng in the event war is finally decided upon. After this conference it was stated that Gen. Chiang will assume personal control of the troops which will be used in the campaign.

Gen. Chiang Kai-shek claims now to have approximately 500,000 troops available for the campaign, this number of course including those at Hankow under Gen. Ho Ying-chin, those in Shansi under Yen Hsi-shan, those in the Peiping area and along the northern end of the Tientsin-Pukow under Gen. Tang Shen-tse, those in Honan, formerly under Feng but now under the nominal control of Gen. Han Fu-chu who has announced his allegience to the Central Government. Then, finally there are about 100,000 troops directly under the control of Gen. Chiang Kai-shek which are stationed along the southern end of the Tientsin-Pukow Railway betkeen Hsuchowfu and Nanking and also the troops in Shantung under Gen. Chen Tiao-yuan.

As to the actual number of troops in Feng's camp there is no definite knowledge due to the fact that many of his troops have gone over to the Central authorities or to Feng's former subordinates who are now cooperating with Nanking. That Nanking does not feel entirely certain of the attitude of these troops was indicated in a message from Peiping on June 20 stating that it had been decided to transfer Gen. Han Fu-chu and his forces from Chengchow, in central Honan to the eastern border of Honan or even into northern Shantung. Persons in Shanghai who are more or less familiar with Feng's

position claim that he probably has 150,000 loyal troops still under his banner.

The Real Issue with Feng

In Chinese newspaper circles in Shanghai this week it was stated that the outcome of the various conferences which have been held in Shansi province between representatives of Gen. Chiang Kai-shek and Feng Yu-hsiang has been the presentation of Feng's minimum demands to the effect that his troops be turned over to the nominal control of Gen. Yen Hsi-shan; that the Central Government agree to pay these troops regularly every month; that Feng's troops must remian a unit and not be split up under various commands and stationed in different parts of the country; that Feng will go into retirement but will remain in China to watch the situation. If this report regarding Feng's conditions are correct, it is likely that this will be the basis of the discussions between Feng and Yen, in case such are held as the news reports indicate.

A *Toho* (Japanese) news agency report on June 20 stated that Gen. Chiang Kai-shek had ordered Gen. Liu Chin-hua, whose troops had been stationed on the northern end of the Peiping-Hankow Railway, to withdraw northward and march by the Peiping-Suiyuan Railway around to Suiyuan and Paotochen with the object of attacking Feng's position in Shensi and Kansu from the rear. The significance in this report is due to the fact that Gen. Liu Chin-hua was formerly a member of Feng's staff, but left him three or four years ago to join Gen. Yen Hsi-shan and then later the Central Government. Gen. Yiu has always been ambitious to establish himself in Shensi province, hence the Government's apparent decision to utilize his services in an advance into Feng's territory from the rear, which, if successful, would also have the effect of cutting Feng off from the possibility of obtaining any military supplies from Russia.

The Canton Situation

A telegram from *The Review's* correspondent at Canton on June 19 stated that Cantonese forces loyal to the Central Government had captured the town of Sunchow in Kwangsi resulting in the defeat of the Kwangsi commander, Gen. Hwang Shao-hsiung, who had retired with his forces to Nanning. The telegram also stated that a force of Kwangsi troops had concentrated at Taipo for the purpose of making a counter-attack on Swatow with the object of evicting the Cantonese forces in that city.

Fessenden Claims No Political Significance in Trip to America

Stirling Fessenden, Director General of the International Settlement, in an interview which appeared in one of the Chinese newspapers on June 19 declared that while he intended to visit Washington and call on President Hoover, "who is an old friend," that there was no political significance to his trip and that he did not intend to discuss the questions of the Provisional Court or the rendition of the International Settlement. Mr. Fessenden stated that his sole purpose in going to the United States was to visit his mother who is 79 years of age and who is in bad health. He said that he expected to remain in the United States for about eight months and while he is absent, H. E. Arnhold, chairman of the Council, will look after affairs in the Settlement. In reference to a question pertaining to the sale and payment for the Municipal Electricity Department, Mr. Fessenden stated that the preliminary agreement had been signed, but that he hoped the entire transaction of tranferring the plant to the American and Foreign Power Company would be completed before he departed.

Gen. Li Chi-sum Released and Given Government Position

Gen. Li Chi-sum, formerly one of the major leaders in the Kwangsi faction in the Kuomintang, who was arrested and put in jail on the orders of General Chiang Kai-shek during the meeting of the National Kuomintang Congress early this spring, has been released, according to a report appearing in the *Kuo Wen* service on Wednesday, June 19. The report stated that three prominent members of the Central Executive Committee, Hu Han-ming, Wu Tze-hui and Koo Ying-fen had petitioned for Gen. Li's release during the recent meeting of the Central Executive and as a result Gen. Chiang had issued an order withdrawing Gen. Li's guards at Tangshan, thus permitting him to go free. It was also stated that Tai Chi-tao, another prominent C. E. C. member had recommended that Gen. Li shonld be given a position in the Examination Yuan "in order to permit him to do something good to counterbalance his past demerits."

Investigating China's Railway Finance Problems

W. B. Poland, a member of the Commission of Technical Experts, which is headed by Mr. Edwin W. Kemmerer, is a native of West Point, N. Y., and a graduate of the Massachusetts Institute of Technology where he was awarded a scholarship in advanced engineering. After leaving college, Mr. Poland joined the U. S. Rivers and Harbors Service. In 1892 he was appointed assistant engineer and charge of maintenance of way for the Big Four Railway and in 1899 was made supervisor of bridges for the same system. Later he was connected with the B. and O. S. W. Railway, and also the Baltimore and Ohio. In 1904 he was appointed general manager and chief engineer of the Alaska Central Railway, which recently was taken over by the U. S. Government.

Mr. W. B. Poland

Mr. Poland's first experience in the Far East was from 1907 to 1915 when he was appointed vice-president and chief engineer of the Philippine Railway Company and director of the Philippine Commercial Company at Manila. In 1915 and 1916 he was director in Belgium for the Belgian Relief Commission. Later he served as engineer member of the American Military Mission to Asia Minor and the Trans-Caucasus under General Harboard. Later he served on various engineering and relief commissions in Europe following the close of the World War. Following this he was the representative of certain American banking interests connected with various European railways and served as a member of the Millspaugh Mission to Persia and for two years was director-general of the Persian Railways. Prior to his present trip he has travelled extensively in other parts of the Far East, including China, Japan and Siberia. He is a member of the American Society of Civil Engineers, American Railway Engineers Association, etc.

French-U.S. Visa Fees Reduced

A reciprocal agreement has been reached between the French and United States Governments for the reduction of visa fees from $10 to $2 and the extension of their validity from one to two years. Negotiations for the arrangement were begun on April 19. Since a quarter of a million Americans visit France every year, the saving to them alone will amount to about $2,000,000 annually. The number of French citizens affected, however, will be small. It is hoped that this action on the part of the French and United States Governments will be an advance toward a visa-less Europe. Italy, Germany, Switzerland, Belgium, and Holland have already abolished visas without waiting for reciprocal action by the United States. The new French-U.S. regulations apply only to non-immigrant passports.

British Military Will Hold Hearing Over Chinese Killing

A report in the *Sin Wan Pao* on June 19 stated that the British military authorities in Shanghai will hold a court martial inquiry into the killing of a Chinese shop-keeper by a British soldier. The court martial will be held in the British military headquarters on Yuyuen Road at 10 o'clock a. m. on June 24 and according to the report the Chinese Bureau of Foreign Affairs has been asked to send a representative to watch the proceedings. The Chinese shop-keeper, Chang Hsueh-liang by name, was killed as a result of a fight with British soldiers, the Chinese charging that one of the soldiers was mistreating a Chinese boy and when the boy's father intervened a fight resulted in which the father was killed.

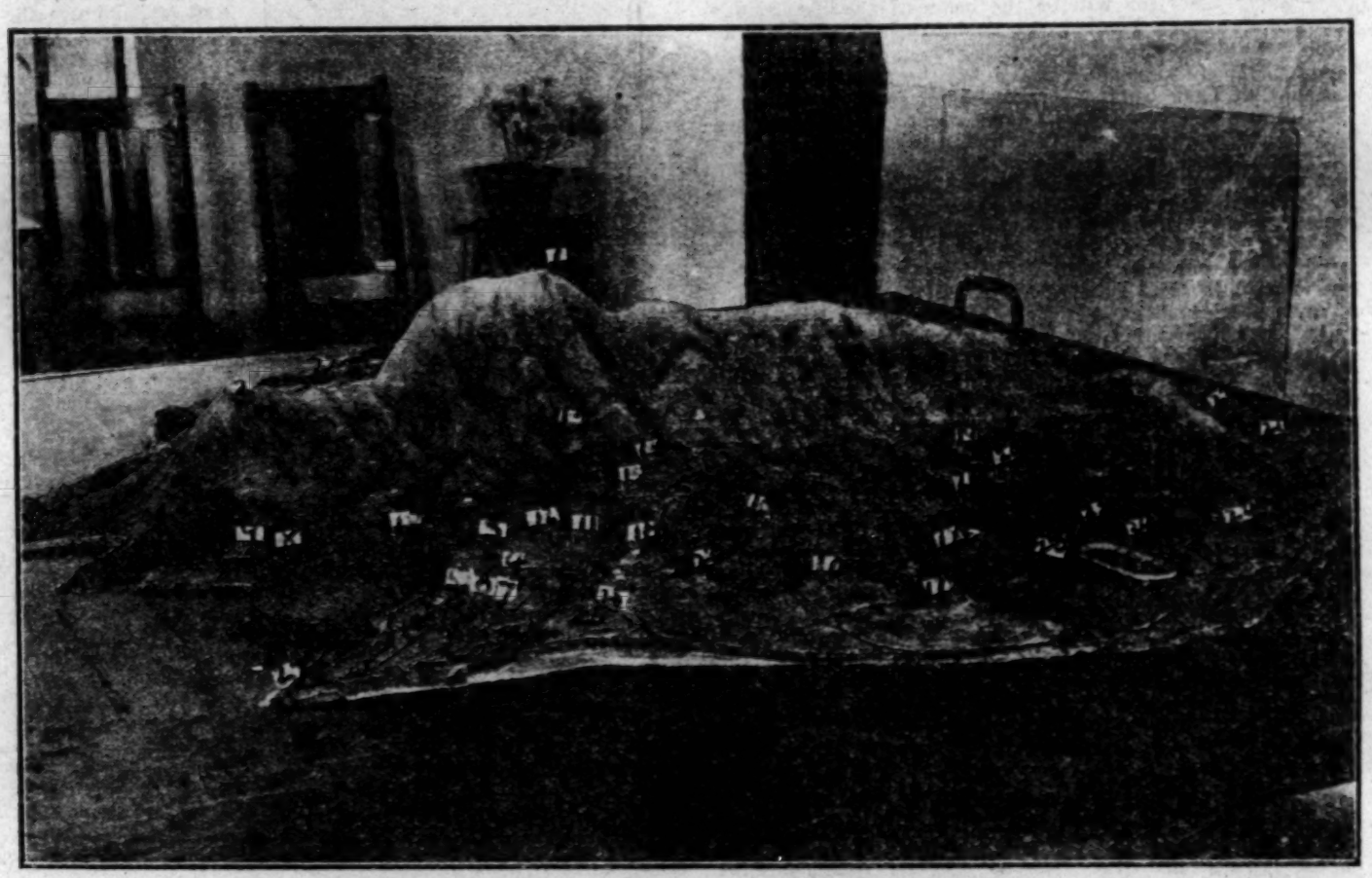
NANKING CITY PLANNING ENGINEER COMPLETES FIRST STAGE

Ernest P. Goodrich, prominent American engineer who has been engaged for several months, in company with Henry K. Murphy, architect, in the drafting of plans for the new National Capital at Nanking, sailed for the United States on the *President Cleveland* on Friday, June 21. He was accompanied by Mrs. Goodrich. Mr. Murphy, who is now engaged in the drafting of plans for the new government buildings will remain in China indefinitely as also will Col. J. C. Moller and T. T. McCroskey, engineers who are assisting in the work.

In an interview with *The Review* prior to his departure, Mr. Goodrich expressed hearty appreciation for the assistance and cooperation which he received in his work both at Nanking and at Canton, the work at the latter place consisting of plans for the development of a deep-water port to accommodate ocean-going steamers. He was especially enthusiastic regarding the cooperation of Sun Fo, Minister of Railways and Y. N. Lin, the latter being director of the National City Planning Commission, and also for the services of some twenty Chinese engineers who are connected with the Bureau. Mr. Goodrich stated that he and Mr. Murphy have now completed the first or engineering stage of the work for which they were originally engaged in the drafting of plans for the new capital. The actual carrying out of the plan now depends upon two elements, the first being the approval of the Government and the second the raising of funds for the project. As to the financial element, Mr. Goodrich was enthusiastic over the prospects for raising funds and stated his belief that the plans for the construction of a new capital will be practically "self-supporting" in that the Government will be able to realize sufficient profit from the increased valuation to practically finance the entire project.

As to the details of the plan for the new capital city, Mr. Goodrich stated that his work included the matters of laying out streets, parks and park-ways, railway terminals, canals, port development, city zoning, industrial district, municipal and governmental centers, an airport, water supply, sewage disposal system and sanitary arrangement, traffic regulations, electric lighting, housing, paving and finally the drafting of a law pertaining to land valuations and taxes.

Mr. Goodrich indicated that he might discuss the matter of financing the construction of the new capital with American financial interests upon his return to New York and expressed the opinion that there is no special reason why there should be any serious difficulties encountered in this regard. He also stated the possibility that he might return to China early next year when the Chinese Government had reached a decision regarding the actual carrying out of the plans.



RELIEF MAP OF THE NEW SUN YAT-SEN MEMORIAL PARK

The above is a photograph of a relief map which has been prepared in Nanking showing the main outline of the plans for the creation of a Sun Yat-sen Memorial Park which includes the entire area surrounding Purple Mountain on the side of which is located the Sun Yat-sen Memorial Mausoleum and Tomb. The numbers on the picture showing the location of various items of interest are not distinct, but the Sun Yat-sen tomb is marked "X" in the almost exact center of the picture. An observatory is to be located on the top of Purple Mountain, while on the slope and at the foot of the mountain are to be located such institutions as schools, memorial halls in honor of martyrs of the revolution, a model village, historical museums a gymnasium, and athletic field, a memorial hospital and sanitarium, a forestry experimental station, orchards and Chinese gardens, botanical and zoological gardens, etc. The ancient Ming Tombs are also located within the Memorial Park.

Nanking Refuses to Abolish Shanghai News Censor

A report in the *Sin Wan Pao* on June 18 stated that the Central Executive Committee at Nanking had refused to abolish the news censorship which was established in Shanghai several months ago for the purpose of preventing the publication of any military or political news unfavorable to the Government. The Chinese newspapers in Shanghai recently urged the Government to discontinue the censorship, but the Government replied that a censorship was still considered necessary owing to the critical situation with Feng Yu-hsiang. The newspaper publishers maintained that since the Chinese newspapers in Shanghai are "carefully edited" that no censorship was necessary. The Government Censor has an office on Shantung Road in the district where most of the Chinese newspapers have their offices.

An Appraisal of American Diplomacy Toward China

BY STEPHEN G PORTER*

(Reprinted from the World's Work for May)

THE Open-Door Policy in China is assuming a new and important significance. Originally coined to express an idea of political justice, the phrase now symbolizes more aptly an era of commercial opportunity. Today the Open Door swings wider to admit in increased quantities the products of foreign industry. A stable government, expanded purchasing power, and peaceful penetration of occidental ideas have combined to develop in China a great and profitable market for the output of our Western factories, mines, and farms.

For leadership in this market there will, of course, be eager competition among all the great exporting nations. The prize it offers is a tempting one. Spreading over an area of more than 4,000,000 square miles, with a population of about 400,000,000 persons, and the richest agricultural and mineral resources of any nation on earth, China presents possibilities of legitimate trade—not mere selfish exploitation—sufficiently promising to arouse the keenest rivalry. To those who, like myself and the other members of the House Foreign Affairs Committee, have studiend the situation, the American business man appears to be in a most favorable position to acquire much of that trade.

Several elements contribute to the advantage that America should enjoy in trade or other relationships with China. First, the confidence aroused by the practical evidences of friendship extended by the United States to the Chinese people by such actions as the remissions of the Boxer indemnity, the pressure exerted for the return of Shantung, and the American attitude, in the Geneva conferences, on the opium traffic without regard to race, creed, or color; second, the Chinese appreciation of America's attitude as the first great nation to recognize the new and stable government established at Nanking to extend to the Chinese people the right of self-rule; third, the fact that five of the ten ministers serving on the executive board under Chiang Kai-shek, President of the Republic of China, were educated in American universities and may therefore be regarded as familiar with and sympathetic to American ideals and methods.

My own experience in China has convinced me that both the officials and the public realize the United States has never taken the initiative in imposing limitations and restraints upon the Chinese, but has instead been active in moves to preserve and protect their national integrity.

Among the Chinese people, friendship is somewhat akin to religion, and such evidences of friendship as the United States has shown will not soon be forgotten.

All this is significant in view of the fact that the new Chinese organic law has been functioning smoothly since its promulgation on October 6, 1928, by the national government, and that trade within the republic shows evidences of the expansion that a stable government always assures. Modeled in many essentials after the Constitution of the United States, the new organic law has many interesting features. The functions of government have been divided into five instead of three branches, each known as a yuan or board. At the head of the government is the President of the Chinese Republic and his ministers or state councilors, from whom are appointed the presidents and vice-presidents of the five yuan.

These boards are respectively the executive, the legislative, the judicial, the examination or civil service (dealing with qualifications for public office), and the control, charged with supervising acts of government officials.

American Educated Officials

The American-educated ministers occupy important places in this system of government. Sun Fo, a son of Sun Yat-sen, founder of the Nationalist party and often referred to as the George Washington of China, is minister of railways. Sun Fo attended the University of California before taking a postgraduate course at Columbia. C. T. Wang, minister of foreign affairs, is a graduate of Yale. T. V. Soong, minister of finance, who signed the new Chinese-American tariff treaty negotiated successfully last year, graduated from Harvard. Molin Chiang, minister of education, attended the University of California and later graduated from Columbia. H. H. Kung, minister of commerce, graduated from both Oberlin and Yale.

Apart from these ministers, the wife of Chiang Kai-shek, President of the Republic, is a graduate of Wellesley; and Dr. Sao-Ke Alfred Sze, former Chinese minister to Washington, who has contributed so much to the new era of good will between the United States and China, graduated from Cornell. In various other offices in China—as well as in commercial, industrial, cultural, and other Chinese activities—are to be found many Chinese graduates of American colleges.

Too much credit cannot be accorded Dr. Sze for the statesman-like manner in which he assisted so greatly, as China's official and personal representative at Washington, toward the satisfactory readjustment of our relations with China at a critical time, when China was passing from an absolute monarchy to a republic, which naturally resulted in factional differences among the Chinese people.

To appreciate thoroughly the friendly relationship between the Chinese government and our own, it is perhaps essential to understand the course of recent diplomatic and political history as applied to China.

In 1900, China appeared to be broken up politically. The nation had then been divided into so-called spheres of influence, of certain foreign powers. Of course, economic exploitation and political encroachment were the objectives. It looked as though those spheres would become areas of foreign territory. Dismemberment of China was threatened. It was then that Secretary Hay enforced the doctrine of the Open Door and exacted from several foreign powers that seemed bent upon despoiling China a promise to respect her sovereignty and her territorial integrity.

The Resolution for New Treaties

Students of the Chinese problem have long been familiar with the system of western relations with China dependent on the so-called Concert of Powers, a method of rough-shod interference with sovereign rights in which the justice of the least-just nation prevailed. With others interested in the development of China, I had long been awaiting an opportunity to drive an entering wedge into this system. As chairman of the House Committee on Foreign Affairs, I introduced a concurrent resolution in Congress on January 4, 1927, requesting the President of the United States to enter into negotiations with the Chinese Government for the making of a treaty or treaties for relinquishment by the United States of any extra-territorial or jurisdictional rights in that country. It was also to grant Chinese control of Chinese customs, or tariff autonomy, and establish Chinese-American relations "upon a wholly equal and reciprocal basis."

The splendid action of the members of the House Committee on Foreign Affairs in pressing the measure, and of the members of the House itself in passing it, served as unmistakable notice to the rest of the world that the United States proposed to see that China henceforth received a Rooseveltian square deal.

The explanation of that resolution lies in a report that, as chairman of the subcommittee on the Pacific and Far Eastern questions, I had the privilege of submitting at the Washington Conference of 1921-22. In it appeared the statement that the "Chinese tariff has been practically the same since the Treaty of Nanking made in 1842." To this was added. "The unanimous consent of the treaty powers must be secured before a tariff can be revised. China is financially impotent, with her import tariffs controlled by aliens, likewise the collection thereof and the revenues derived therefrom—on which foreign loans have a first lien deposited in foreign banks and the balance released to the Chinese government only on the unanimous consent of the diplomats in Peking. Common justice demands that China should have tariff autonomy. If this is not presently feasible, the maximum of the import duties should be raised to not less than fifteen per cent."

The report thus recognized the justice of Chinese protests against a system whereby tariffs were fixed and collected by foreigners. The Chinese contended that the low tariff level of five per cent fixed on imports and exports prevented the development of infant Chinese industries in competition with those of other countries, particularly Japan and India, and thereby retarded the modernization of China. They objected to the continuation of treaties fettering complete tariff autonomy for their country on the grounds that the low tariff allowed on imports, coupled with the same rate of duty imposed on exports, operated to make an unfavorable trade balance almost inevitable for China. Numerous foreign loans were one result of this. These loans, secured to a large extent on the customs—being, in fact, a first charge on them—only made the situation worse for the Chinese and tended seriously to weaken or impair Chinese sovereignty itself.

Since the report was written, the demands of justice coupled with the firm course pursued by the new Chinese

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government at Nanking, which replaced the old one at Peking, have seen to it that China is no longer "financially impotent, with her import tariffs controlled by aliens." What a difference a few years have made in and to China!

Ratification in February, 1929, by the United States Senate of the first international treaty entered into by this country with the new Nationalist government at Nanking signalized granting the Chinese, as far as America is concerned, the same full-fledged tariff equality enjoyed by other sovereign nations.

New Tariff Schedules

The tariff schedules promulgated by the Nationalist government on December 10, 1928, effective as of February 1, 1929, provide for import duties varying from 7.5 to 27.5 per cent ad valorem, based on valuations of the tariff of 1922. The duration of the new tariff schedules was expected to be one year, the surtaxes hitherto collected to be automatically abolished or merged with the new duties.

The new tariff schedules cover a wide range of commodities, and the new income derived from adequately fixed and locally controlled tariff rates will aid tremendously not only the rehabilitation of China but its enhanced material prosperity as well.

In connection with the forced leasing of Chinese territory to certain European powers, it was stated in my previously quoted report that "it is likely that China, with unpleasant recollections of the past, concluded it better to yield to these unrighteous demands, which she was powerless to resist, than to take the risk of refusal and larger demands. The mere fact that these valuable concessions in the form of lease were made without any consideration passing to the Empire of China, or at the most a very inadequate one, should stamp them as invalid before the moral judgment of the world; and unless might makes right, and therefore fear and frightfulness become binding considerations in international law, the leases should be treated as gross violations of the rights of China."

Seven years have passed since these words were written. In the light of what has happened since the Nationalist government established itself at Nanking it may be accurately suggested that there was something prophetic about them, in as much as the leases in question have, indeed, come to be treated as "gross violations of the rights of China."

Extraterritorially was invoked in China to provide exemption of foreigners from Chinese laws and to insure their remaining within the jurisdiction of their own laws. For example, if an American citizen was arrested or sued while a resident of China he could carry his case to our consuls or to the United States Court for China. The so-called extraterritorial rights of the several foreign powers in China were based upon treaties—the first being that of Great Britain in 1843 and the next that of the United States, with other nations following until Switzerland concluded the last one in 1919. The United States—inspired, I believe, by a genuine desire to give the New China a helpful, friendly hand—is now taking the lead for the early relinquishment of those extraterritorial rights, which have been a bone of contention for so many years.

The Problem of Extrality

The problem of extraterritoriality in China possessed two divisions. One concerned the concessions—areas taken over by certain European powers and by Japan at the principal Chinese ports. In these areas Chinese sovereignty was virtually nullified, and all the functions of civil government were vested in the foreigners residing in them. As late as 1927 there were forty-three of these so-called treaty ports. The United States has no concessions in China, but the majority of Americans—other than missionaries—who are residents of China live in concessions, which are generally British.

When, early in 1927, the Kuomintang authorities at Hankow assumed control of the British concession there, the action marked the beginning of the end of extended abuses that could be well compared to an unwarranted invasion of Chinese sovereignty.

Further evidence of the growing national consciousness of the Chinese people, which must inevitably result in trade expansion, was offered by Leighton Stuart, president of the University of Peking, when he declared in a recent statement:

"Never before in their long history have the Chinese people been so nearly unanimous, so well informed, and so deeply stirred as they are now over the issue of their sovereign rights. The phenomenon of a vast populace which, since the overthrow of the Manchu dynasty, has been notoriously distracted by factional differences, being now unified—at least so far as concerns their demands for the revision of unequal treaties—is one of surpassing significance.

"The Chinese people without exception, so far as I have observed, are at one on this sentiment. The students, held largely responsible, are merely the most highly sensitized part of the population. The nationalistic self-consciousness has been slowly forming for many years, more recently with amazing celerity, until it has become highly organized and is quite articulate. It is a striking instance of real democracy, this sheer unmitigated rule of the whole people on a living issue, with all the idealism and all the dangers of such a situation."

The restoration of the sovereignty of China will materially increase the average daily wage of the Chinese people, which is now approximately 25 cents. Assuming that this wage is increased to even 50 cents a day, it will double the purchasing power of almost one fourth of the human race.

Strained Relations

All these developments, controlled by a stable government, promise a marked commercial revival in China. Very recently another troubling situation is being cleared by the promise of the Japanese to evacuate Tsinan, capital of Shantung. Japanese troops took possession of Tsinan following its bombardment by them in May, 1928, in the alleged defense of imperiled Japanese lives. The Chinese called the attack a massacre, and the gravest strain was placed upon Sino-Japanese relations.

Upon the outside world the unfortunate impression was created that Japan had seized upon a pretext to reoccupy China's richest province, from which she retired largely because of the insistence of the United States at the Washington Conference. Garrisoning of Shantung with thousands of Japanese troops, after the Tsinan incident, appeared to be unnecessary to impartial observers in this country; and, as was to be expected, it developed contention, not only with the Chinese government but with foreign powers other than Japan. The particular region of occupation lay athwart the path of Manchuria and cut China off from the north, much as the Polish corridor divides western Germany from the eastern section of the Reich.

As this is written, we are informed that Nanking and Tokyo have reached an accord over the Tsinan episode and its aftermath. All basic differences are apparently to be settled peaceably. The Shantung Railroad is to be returned to China. Anti-Japanese agitation, especially the boycott of Japanese goods by the Chinese, is to be abandoned. Mutual expressions of regret over the loss of Chinese and Japanese lives are to be exchanged. A claims commission is to investigate and assess damages. Normality seems to be marking the present relations between the two great Asiatic states. This is extremely enlightening, if only in view of our demonstration of friendship for China by demanding at the Washington Conference that the Japanese evacuate Shantung.

Japan has not yet formally recognized the new Chinese government, as have the United States, Great Britain, and other nations. Tsinan stood in the way. Perhaps the settlement of the Tsinan imbroglio is destined to bring about a Sino-Japanese rapproachment of far-reaching magnitude, as has already been suggested in some quarters. If that is so, it becomes apparent that the United States government and the commercial interests of our country should continue to cultivate closer relations with Nanking and the Chinese people.

When we read that in China's total imports the British share, exclusive of Hongkong, has fallen nearly 35 per cent since 1914, while that of the United States has increased 250 per cent, we can realize that in China there exist great untapped outlets for our growing surpluses. It is not too optimistic to say that in China we can develop our largest, richest, and most friendly foreign customer. We have only begun to sound the possibilities of the purchasing power of a great awakened people whose many millions occupy a territory larger than all of Europe. Apart from a natural desire to be helpful to our progressive sister republic of the Far East, the continued maintenance of friendly relations between the United States and China may well be regarded by our commercial and business interests as of the utmost importance to the future development of our world trade.

New China's Economic Development

Highly informative statistics may be presented to indicate the extent of the New China's economic development. Between 1915 and 1924, inclusive, Chinese exports and imports increased from $689,000,000 to $1,374,000,000—an increase of 100 per cent. The increase of 1926 over 1925 was a little more than one fourth of the total foreign trade in 1915, in spite of the fact that 1926 witnessed the

(Continued on page 173)

Chinese View of Anglo-American Impasse

BY F. K. WU

(In the China Truth, Canton, for June 8)

IN recent months the eyes of the world are drawn to the rivalry and discord between the United States and Great Britain arising out of the naval dispute. The relationship between the two countries was strained by the complete failure of the Coolidge Naval Conference at Geneva in the summer of 1927 until last April when Mr. Hugh S. Gibson at the instruction of President Hoover declared before the Preparatory Disarmament Commission that the United States was ready to agree to any reduction of naval armaments however drastic it might be, provided no category of ships would be left unrestricted. The American attitude was hailed with relief and joy both in Europe and America, and people interested in peace were led to believe that the storm clouds hovering over the Atlantic was dispersed by the American gesture.

Very little was heard further about the progress of the disarmament parley at Geneva until like an earthquake shock President Hoover, in the course of a Memorial Day speech at Arlington, Va., made the following pungent remark: "We feel it is useless to talk about the limitation of armaments if such limitation is set at so high a figure as virtually to incite to increased armament." The President was referring to the reported opinion on the British reports that 250,000 tons for warships were not sufficient for British needs. He lamented the fact (which was stressed in an editorial paragraph in the last issue of the *The Truth* that every important country since the signing of the Kellogg Peace Pact had been engaged in strengthening its armaments. The broadside was apparently fired at Great Britain for her insistence to maintain 400,000 tons of cruisers, which is tantamount to another failure to arrive at an understanding respecting naval disarmament.

The naval problem is always a thorn in the side of Anglo-American relations, since both sides are bent on building a big navy as a preparation or precaution for another world war. The direction is in the construction of cruisers which was not restricted by the Washington Conference. Britain wants a large fleet because of her many colonies, protectorates, and other insular possessions that are scattered in the four corners of the globe. As a manufacturing nation, England depends on her overseas possessions for the supply of raw materials and as markets for her goods. Much of the food stuff is imported from abroad. In the event of war, she must see to it that the sea routes are kept open by her powerful fleet lest the people in the British Isles should face starvation. Apart from economic necessity, a first class British navy can shut out all ingress into or egress from an enemy country and bring her to terms, as in the case of the blockade of Germany in the last war. Another factor is that Englishmen stick to the traditional myth that Britannia rules the waves, so while funds are sorely needed to improve the living conditions of the poverty-stricken miners thus necessiting the raising of money in the British colonies and even in the United States, two more cruisers were laid down for construction the cost of which would be sufficient to meet the needs of unfortunate miners.

More Cruisers Wanted

America also wants a big fleet partly because she wants to demonstrate her might as a world power and partly because she insists on the freedom of the seas, so that in case of war between Britain and a third country, Americans can trade not only with the British but also with their enemies. To counteract a British blockade the United States requires a fleet equally, if not more, powerful than that of John Bull. The psychological effect is also an incentive to a huge naval program, for America with her unlimited wealth likes to "show-off" with an impressive line of battleships just as much as a newly rich needs an expensive automobile and a beautiful house. Since the United States failed to come to an agreement with England in 1927, the former went ahead and passed the bill for the building of fifteen cruisers. Mr. Frank H. Simmonds, American publicist, declared: "No one can mistake the fact that the American public has made up its mind to attain equality either by negotiation or by construction. If the fifteen cruisers now authorized do not suffice, if the conference that must meet in 1931 fails to arrive at an adjustment, it will, almost infallibly be followed by another fifteen cruiser problem."

The American program is fraught with suspicion and jealousy in Britain, as the following criticism by Field Marshal Sir William Robertson at a League of Nations Union in last December will show: "America influenced by imperialistic tendencies, apparently means, whatever happens, to go on increasing her navy, and her official utterances on the question of armaments not infrequently bear a close resemblance to those claims that we were so accustomed to hearing made by Germany previous to the tragedy of 1919". The American theory that a first rate fleet is necessary to maintain neutrality in the event of a war between Great Britain and a third power is ridiculed by Mr. Philip Kerr, (former secretary of Mr. Lloyd George) who said: "I do not believe that the failure of the United States to wage neutrality effectively in 1914-1916 was due to the lack of force. The United States had ample power to paralyze the British blockade in 1914 seeing that Britain's whole strength was absorbed in dealing with Germany, if she had chosen to insist on trading freely with both belligerents. She did not so insist, not because of weakness but because of the invasion of Belgium and the sinking of the Lusitania. If Great Britain is fighting for liberty, democracy, and world law, the United States, whatever its power, will find itself unable to wage neutrality. If Great Britain is in the wrong, the United States will stop the war, and vice versa".

The consensus of British opinion seems to be that the United States has no reason to build a mighty navy to maintain her neutrality nor does she need a fleet to protect her few colonies. Therefore the building of fifteen cruisers is to the British mind either a waste of money or an attempt to seize the trident from the hands of John Bull.

Balance of Power

There can be no doubt that America is many times richer and has more resources to outbid Great Britain in this naval race. If there is no way to call a halt to this mad competition, what will Britain do? The logical outcome would be for Britain to throw back on her past policy when she met the threat of Napoleon and the menace from Kaiser Wilhelm,—i.e. a system of alliances. The Anglo-French naval agreement of July 1928 is an illustration on this point. This led to the popular belief that the Anglo-French entente is renewed no longer against Germany but against their neighbor across the Atlantic. France comes in line with England on the condition that there is no objection to France's maintaining the most powerful army in Europe. M. Leygues, the French Minister of Marine, announced in a speech in July, 1928 that "Britain has every right to have the greatest navy in the world equaled by none and surpassing even the fleet of the United States." In a similar vein Pertinax wrote in the *Echo de Paris*: "Whether the scheme for the limitation of armament is adopted or succumbs, France and England will continue to collaborate." The next power drawn into this net work of alliance is Japan who once joined forces with Britain for a partition of the spoils in the Orient by virtue of the Anglo-Japanese Alliance. This belief is strengthened by the King's speech to Parliament in November 1928 which stressed that "the historic friendship which for so many years has united Japan and my country has always been a potent factor in the maintenance of peace in the Far East." The latest step in this direction is the conference of the Order of the Gartar on the Japanese Emperor by the Duke of Gloucester. France and Japan are naturally Britain's allies inasmuch as they possess a fleet second only to Britain and the United States.

However, the general election in England this week swings towards the Labor Party which has placed on record its disapproval of naval competition and a desire to come to some sort of arrangement with the United States. A change of attitude by the prospective Labor Government may pave the way to a genuine slash of naval armament. But no matter which party is in power in England or the United States, the real solution to the naval entangle lies in the elimination of jealousy, suspicion, and fear in the hearts of the two peoples.

Quo Tai-chi Also To Represent China at Geneva

A report in the *Sin Wan Pao* on June 17 stated that Quo Tai-chi, recently appointed Chinese Minister to Rome, has also been appointed chief delegate for the National Government at Geneva in order that he may participate in the annual conference of the League of Nations in September. The report stated that Mr. Quo will sail for Europe shortly and will be accompanied by Wu Kai-shen, adviser to the Ministry of Foreign Affairs, who has been appointed Chinese secretary to the League.

Tariff Autonomy and Chinese Industries

BY EDWARD BING SHUEY LEE*

WELL-WISHERS of China are impatient of the slow progress which the country has been making but they little realize that China is endeavoring to accomplish in a few decades an industrial revolution which required centuries of slow evolution in other countries, and her economic development is hindered considerably by the operation of the unequal treaties which must be removed before she can make that progress which the world is expecting.

It must be realized that the abolition of extraterritoriality is essential to the sovereignty of China as an independent nation, and the exercise of tariff autonomy is necessary if trade and commerce is to be allowed to develop. China has been agitating for tariff autonomy because the conventional tariff of five per cent lacks the element of reciprocity, is unilateral, unscientific, inelastic, inflexible and does not produce enough revenue for the need of the Chinese Government. The denial to China of the right to adjust her own tariff has produced serious consequences upon her economic development, for her industries are prevented from growing owing to the unfair methods used by many foreign exporters to kill native infant industries. The leading countries of the world, such as the United States, England, France, Germany and Japan have "anti-dumping" laws; but when a foreigner dumps his products into China at a lower price than his home market price or the world market price, he cannot be checked because no "anti-dumping" clause had been provided in China. Economists agree that in changing from an agricultural to an industrial economy the infant industries must be protected from outside competition. The soundness of this theory has been proved by economic history. For shortly after the United States made her Declaration of Independence she discovered that her markets were being flooded by goods from Europe to the detriment of her infant industries, so she adopted the policy of protection. England is a free trade country, but during the industrial revolution when labour saving machinery was adopted and the factory system was introduced, she felt that it was necessary to raise a high tariff wall in order to protect her infant industries. France practised protection except during the administration of Napoleon III; and likewise Germany was protectionist except during the period from 1865 to 1879 and after the Great War. Japan suffered restrictions similar to China before the year 1894, but she gradually adopted the policy of protection by imposing a high rate on goods which can be produced in Japan and a lower rate on goods which are not produced in Japan.

The five per cent conventional tariff imposed by the Powers not only hindered the development of China's industries but also kept her export trade from expanding, because it looked the element of reciprocity. It is a well-known fact that when the Powers fixed the customs duties they inserted everything that was unfavorable to China and favorable to them, because each country naturally desires to promote its own interests. So that although every treaty power enjoys the advantage of having its wares imported into China at the exceptional low rate of five per cent ad valorem, which in reality amounted to only about four per cent effective, Chinese goods are subject to the maximum rates leviable on entering any of the countries having treaty relations with China, which are in many cases sixty or seventy times the rate which she herself levies upon foreign imports. The injustice is apparent when we make a comparison. Japan taxes Chinese tobacco at 355 per cent as far back as 1913; while Great Britain taxes Chinese tea at 350 per cent, although the latter claims to be a free-trade country.

Abuses in Maritime Customs

This impairment of China's fiscal independence is made possible through foreign control of the Maritime Customs. Foreigners are never tired of praising the administration of the Maritime Customs but there are many evils connected with foreign administration which cannot be entirely ignored. Ever since 1898 the post of Inspector-General of the Maritime Customs was held by an Englishman, and in carrying out their duties the British Inspector-General and his assistants have gone beyond the letter and spirit of the treaties, for although treaty stipulations place the Maritime Customs under the control of the Chinese Government, the Inspector-General has constantly defied orders and has shown glaring cases of discrimination against the Chinese. The first examine of insubordination may be shown by the case of Mr. H. N. Lay, who, in defiance of the orders of the Chinese Government, went to England and bought eiiht vessels and actually despatched them to China under the command of Captain Osborne. When Mr. Tang Shao-yi, the veteran statesman who was then President of the Board of Foreign Affairs, created the Shui-wu Chu or Revenue Council during 1906 to supervise the Inspectorate of Customs, Sir Robert Hart refused to give recognition to the Shui-wu Chu. Another glaring case of disobedience to the orders of the Chinese Government occured in 1927 when Sir F. A. Aglen refused to collect the 2½ per cent surtax, consequently bringing about his dismissal in spite of strong representations and the united front of the diplomatic corps. The conspicuous discrimination shown in the employment of Chinese in the customs service cannot be based upon the grounds of justice, for notwithstanding the fact that the Maritime Customs is essentially a Chinese service, no Chinese was even permitted to hold a full assistantship up till the year 1907, and no Chinese has ever held the position of Commissioner until the coming of the Nationalists. The Maritime Customs has also shown discrimination towards the Chinese in the pilot service for vessels plying in the inland waters of China. Vested with complete power for controlling the pilot service, the Maritime Customs authorities have excluded Chinese pilots altogether, making it necessary for foreign pilots to be employed not only on foreign owned vessels but also on Chinese-owned ships. This glaring case of favoritism is fraught with danger to the welfare of China, for these alien pilots have access to the most stragetic points in the inland defenses of China both on land and at sea, and should hostilities occur between China and a foreign Power there is a possibilitiy that these pilots may be used by the opposing country to the detriment of China. This situation is, however, improved by the action of the foreign pilots' associations in enrolling some Chinese on their membership list.

It must be recognized that the Mackay Treaty of 1902 made provisions for allowing China to increase her tariff rates but the provisions of this treaty never took effect because its validity hinges upon the acceptance of all the conditions by every one of the treaty Powers, and as all treaty Powers have their own interests at heart and constantly clamored for *most-favored-nation* treatment, they could not agree upon granting China the right to levy a higher tariff. The situation is now different, for the Powers began to realize that the arm of Chinese nationalism is more powerful than any engine of warfare which they may devise to delay the attainment of China's aspirations for freedom from foreign encroachments, and China at last attained tariff autonomy on February 1, 1929.

The growth of China's industries which will accrue from the exercise of tariff autonomy will enable the masses to enjoy many of the things which are now regarded as luxuries, and the buying power of the Chinese will be considerably increased, thus giving a new impetus to foreign trade because there will be an increasing demand for goods produced in foreign countries. The opposition of many foreign traders to tariff autonomy is unfounded for they have everything to gain as testified by the fact that the revenue of the Maritime Customs for 1928 amounted to 28,333,000 Haikwan taels, which is an increase of 13,597,000 Haikwan taels as compared with the collection for the year 1927.

It is true that China has many problems to solve before she can bring her industries to a stage of development similar, for instance, to those of the United States, but the attainment of tariff autonomy is a great step towards encouraging the infant industries to grow so that the masses may be better provided with work, food and clothing.

*Author of "China's Struggle for Tariff Autonomy."

Communications Ministry Appoints Delegates to Tokyo Meetings

Sun Mu-cheng and Chen Ti-yung of the National Ministry of Communications have been appointed Chinese delegates to attend the World Engineering Congress and the World Power Conference, both of which meetings are scheduled to be held in Tokyo from October 25 to November 22. The meetings will be held under the auspices of the Japanese Engineering Society and delegates are expected from all parts of the world. The two conferences were promoted in 1925 and received the support of President Hoover who at that time was Secretary of Commerce.

Kuomintang States Views on Feng Question

(The following report further outlining the Government's views regarding the position of Marshal Feng Yu-hsiang, was circulated to the press by the Publicity Department of the Central Executive Committee of the Kuomintang on June 16. The translation was made by the Kuo Min News agency.)

During the time of the Kwangsi rebellion, though the Central Authorities were constantly informed of Feng Yu-hsiang's implication in the plot, the Government did not take any action against him thinking that as the most notorious rebels were subdued, the plot of the sly and vacillating elements would be nipped in the bud through the victory of the punitive campaign; to the surprise of all, however, Feng tarried in Shensi to make preparations for war, and refused to respond to the successive calls of the Central Authorities to proceed to the Capital. Soon, he made wilful troop movements, wantonly blew up railway bridges and tunnels; his subordinate officers like Sun Liang-chen were daring enough to send out formal communications openly denouncing the Party, while Feng himself, under the presumptuous title of Commander-in-Chief of North-West Route of "The Party-Safeguarding and Nation-Salvation Army", issued a proclamation to the Foreign Powers informing them of his belligerent status versus the Central Government. In view of his treason against the Party and the State, the Central Authorities have decided to expel Feng from the Party have and delegated the National Government to punish him in accordance with the Law.

Ever since the northern Punitive Expedition was launched, the Party experienced all sorts of difficulties; it was not until last year that national unification was consumated and the hope was entertained that henceforth national reconstruction, in accordance with the late Leader's plan, could be undertaken with a view to ameliorating the sufferings of the people. The reactionary forces outside the Party were hardly overthrown when Counter-Revolutionary elements rose one after another from within; though the Kwangsi clique rebelled before Feng, both had a previous understanding and acted in unison. This is, indeed, a trying time for the Party and the State. The attention of our comrades and fellow countrymen is invited to the crimes of Feng as enumerated below:

Since Feng Yu-hsiang joined the Party in the Fifteenht year of the Republic (1926), though he avowed his firm adherence to the Three People's Principles and pronounced himself as a fervent revolutionary, never has there been a real change of heart in his feudalistic and militaristic habits, being always ready to speculate in order to gratify his personal ambitions. Upon the break between Nanking and Hankow in the Sixteenth year of the Republic (1927), Feng was most active in exploiting the differences existing then and played a double game: while he plotted with Hsu Chien and Teng Yin-ta with a view to widening the breach, he pretended to be a mediator between the two sides, proposing a conference to be held at Kaifeng so as to show himself to be the decisive factor in the whole situation. On the occasion of the second Northern Punitive Expedition, he thrust all sorts of demands upon the Government; again at the Tang-shan Conference, he manifested great reluctance to come and departed in agony. His false pride and ostentation were beyond description.

Lenience of Central Anthorities

The Central Authorities have always been lenient towards him, attributing his narrow mindedness to sheer ignorance; he was given the privilege to participate in the fifth Plenary Session and when the National Government was inaugurated, he was again offered important posts in the hope that he would stay all the time at the national Capital and be directed into the right path by keeping conversant with Party principles. Having stayed at the Capital for several months, he failed of any contribution to the Central Government; on the contrary, he was bent on pressing the Government with successive demands to satisfyy his greed and avarice. Feng's counter-revolutionary measures comprised refusal to hand over to the Central Government the administrative affairs of the provinces under his jurisdiction, non-compliance with the Resolutions of the Military Reorganization and Disbandment Conference, expansion of his private army in furtherance of his influence, embezzlement of public funds, and purchase of arms and ammunition from abroad. The allowance to Feng of the Central Government was in the neighbourhood of one million dollars each month; still his soldiers suffered from hunger and cold. Though foodstuffs have been forthcoming from all directions to relieve the famine in Shensi and Kansu, the hungry people there are driven to the practice of cannibalism.

He harboured evil intentions as he left the Capital last winter on the pretext of sickness; down to the outbreak of the Kwangsi rebellion, he was busy with his crafty plans to endanger the Government, and with the capture of Wu-Han in a short time, movement to start hostilities failed to come to a head; therefore, he undertook to declare his allegiance to the Government on condition that he was to be rewarded with certain official posts, failing which his rebellious intentions became almost imminent. His recent detention of foodstuffs, embargo on silver, and persecution of Mohammedans have thrown the provinces of Honan, Shensi, and Kansu into a reign of terror. Later, he ordered Sun Liang-chen to withdraw westward in disregard of the latter's duty, instructed Han Fu-chu to march to the north, and wantonly blew up railway bridges and tunnels along the Peiping-Hankow and Tientsin-Pukow railways.

Whereas the people hoped for peace and the revolution aimed at national unification, Feng went contrary to those ends; Feng's intention to destroy the revolution was apparent in view of Liu Yoh-fen's recent telegram.

The difference between an opportunist and a counter-revolutionist is slight, and it is certain that the opportunist will end up as a counter revolutionist. Feng used to be a militarist, ignorant of principles, noted for his art of deceit and treachery. Since he took the oath of allegiance to the Party at Wu-yuan, he has pretended to be exceedingly generous and revolutionary phrases were constantly on his lips; so much so that comrades of the Party were easily deceived by him, and the Central Authorities also made the attempt to improve him in the hope that he would become one of the revolutionary pillars. Now, his mockery of hypocrisy has crumbled to pieces, though Party comrades might be amazed at his fickleness. He resorted to open rebellion under the cloak of Party-Safeguarding and Nation-Salvation. What fabrications have been disseminated by him to blind the people within the country and abroad, no one can tell. But the following facts will help to demonstrate whether he is sincere or the reverse in revolution.

First of all, the revolution is based upon the Three People's Principles of the late leader, Dr. Sun; those who prove to be untrue to the late Leader will ultimately be unture to the revolution. Feng blew up railway bridges and tunnels causing consternation throughout the country at the time when the State Burial of Dr. Sun was about to take place and foreign visitors and guests came to the country from lands afar; this very act also barred the people of the North-West from participating in the said State Burial. Within those provinces under his jurisdiction, it is not the teachings of the late Leader but those of the so-called Commander-in-Chief Feng that are commonly propagated; his own photo is hung aloft in all public organizations, being so much imbued with feudalistic conceptions that he almost presumed himself as king of a principality. What did he care about the teachings of our late Leader? Is such the right way for a true revolutionist to pursue?

Army Training

Secondly, the purpose of the revolution is to eradicate the curse of Militarism once for all, so the political training of our army teaches that all military forces belong to the Party and the revolution be protected thereby. Feng trained his army on the basis of his personal favors accompanied by unexpected and severe punishment to the end that his soldiers would only know himself but nothing else; he treated his officers as slaves by scolding and whipping with a view to molding them as his private tools. His recent compulsion of his troops to commit rebellion is traceable to his ordinary preparations in the past.

Whereas a revolutionist should be straight forward, Feng is cunning, always ready for defection, and well versed in the art of plotting and betrayal; and whereas the spirit of the Party is love and solidarity, Feng is unusually jealous. The virtue of self-denial is indispensable for every Revolutionist; but Feng undertook to advertise himself as the monoplisor of that virtue, his shabby clothes, simple food and his pretended industry and endurance being exaggerated to promote his popularity. If he were really sincere in his heart and determined to end corruption by being a faithful champion of revolution, why should he ally himself with the extremely reactionary Kwangsi clique? Once Chen Chiung-ming, prior to his rebellious actions, also managed to deceive the comrades by being a hypocrite, and the late Leader branded him as undependable. Feng's selfish behaviour without the least consideration for the Party was not unlike that of Chen in the past. He co-operated with the notorious communists, when that served his purpose; any thing deemed inconvenient to himself would be put out of the way, even loyal comrades of the Party could not escape the fate of persecution and exile at his hand. In view of the fact that so many of the revolutionary youths of Honan, Shensi, and Kansu are in exile in other provinces, Feng's betrayal of the revolution would simply be inevitable.

(Continued on page 166)

The Phlegmatic North Wants a Dictator

BY H. D. WARE

WHILE in the Yangtze Valley there is much evidence of a marked reaction on the part of the entire population toward anything savoring of militarism, it is surprising to find in North China the old cult of Yuan Shih-kai still numbering its adherents among all classes of people. In something over three weeks of residence here in Tientsin I have been making it my business to find out what degree of political consciousness the people in general have developed since the overthrow of the militarists last year. Of course, as has been stated in the editorial columns of the *Review*, it is too often the case that the foreigner in search of information either goes to the Chinese who have an axe to grind by filling him full of fiction, or else is willy nilly filled with applesauce due to the disinclination of the average Chinese to tell a foreigner something which may be bad news. Add to this the usual Shanghai foreign resident's inability to speak a word of Chinese and you have a pretty good proof of the *Review's* assertion. But in this instance I am inclined to think that the exception will have to prove the rule for while my Chinese gives my old mandarin teacher the shivers, it still gets me about and into and, more to the point, safely out of many queer places. The fact of my having just returned in perfect safety from a visit to a tramways strike headquarters where not an English speaking man could be found, and having come back with a story rather goes to prove that even editors can be mistaken.

I have talked in the past few weeks with people of all sorts, ranging all the way from my old cook to bank managers, newspaper publishers, teachers and common everyday shopkeepers and have to confess that with the exception of university graduates, more than a few of whom are frankly for Feng Yu-hsiang, I can find but little evidence of a general conversion of the northern Chinese to the "Three Peoples' Principles". After a very contrary experience in the Yangtze Valley this has come as a complete surprise and so entirely at variance with what I had expected and hoped to find that it has been hard to believe but is, none the less, only too true. It is not that people up in this sandy country are not thinking. They are thinking, thinking politics and talking them, but they have yet to be "sold" on Kuomintang government. It is common to be informed that North China's need is a "great official" who will rule the country with the welfare of the people at heart. High and low, it is easy to hear kind things said of old Chang Tso-lin. Educated men speak of Feng Yu-hsiang in glowing terms because of his disciplinary abilities. And so disgusted are the many that they will tell you that no officials are good but that a good general is preferable to a committee of bad men.

So, as far as developing a political mind goes, I would say that the northern Chinese, at least those about Tientsin, have progressed as far as thinking about politics and politicians in terms of extreme disparagement but when one pushes the investigation into the field of constructive remedies for all their evils, real and imaginary, it has to be confessed that these people are way behind their southern brethren of whom the city dwellers at least are commencing to realize that in some way they themselves are taking a hand in government and are going to have a bigger share in it before long.

Antipathy Toward the South

Of course, another factor to be given weight in considering the political attitude of the northerners is the very real antipathy which exists toward the south. Unfortunately, doubtless because there were not enough Northern members of the Kuomintang to go around, a great many southern Chinese have become officials under the Nanking government, with the usual results where yor find southerners in power over these hard bitten people. They don't like the idea of being ruled by a little chap from the fruit country of the south. They have their own official class, mostly out of jobs at present, and they prefer to be governed by people was speak their own language and who have an understanding of local conditions regardless of how they put it to use. Also, the northerners have their own popular idols as well as the south. Many of them may, to our foreign way of thinking, have feet of very dusty clay, but nevertheless they are idols of a sort and people are accustomed to them. It would be undiplomatic and very likely "seditious" to repeat the yarns that are current about Tientsin with regard to the futures of several prominent residents of one concession and another, but a lot of talk is being passed, enough and in places to lend itself to consideration.

An interesting sidelight upon the northern temperament as compared with that of the southern Chinese came up yesterday in connection with the tramways strike which is Tientsin's most interesting bit of politics at the present moment. The tramways employees, starting with the shopmen who have forced out the traffic department as well, are striking, so they announce, for recognition of their union, reinstatement of several dismissed workmen and, here is where the politics enter, for the abrogation of the franchise granted by a former government to a Belgian concern giving it a fifty year monopoly of the city transportation services. Whether the local District Party Board had anything to do with instigating this strike is a matter which is still being argued. At any rate, the Kuomintang branch is now taking an active part in the dispute, has issued a statement in which more attention is paid to the forthcoming Sino-Belgian negotiations for the rendition of the Belgian Concession and the necessity, so it states, of making the abrogation of the tramways franchise a major item for negotiation than is given to the cause of the striking workmen. But whether the strike was "framed" on the company or whether it was bound to take place anyway is beside the point which is that for a gang of organized strikers, well supplied with professional student-agitators, slogans, handbills, big sticks for the recalcitrant and all the other trappings of labor upheavals, the thousand odd tramways strikers are the most peaceful crowd imaginable. A visit to their headquarters this afternoon convinced me that unless someone is fool enough to fire on them and get their phlegmatic northern tempers into a slow heat which takes a long time to subside, or unless some of them are hurt by interested parties in order to start real trouble, this strike will go on record as another demonstration of the ineptitude of the northern mind to political and economic theorizing. A row of the dimensions of this strike in Shanghai would by now have had thousands of frenzied demonstrators yelling "Down with everything that can be torn down," while up here no yelling is being done. In fact, the head of the union, who appeared most uncomfortable with his badges and ribbons, gives the impression of the proverbial man who grabbed the bull by the tail and couldn't let go and as for leading disorders, he would be more apt to put them down with his big club which he handled as though it were the spanner to which he is probably more accustomed.

Practically every tram car in Tientsin is parked somewhere on the public streets at this moment and has been for the past sixty hours and barring a few incandescent lights having been stolen, probably by youngsters who are not much different from those we have at home, there has been no damage done. Imagine a street car strike in Shanghai with no broken windows, to say nothing of heads! But you can't, because such a miracle would be impossible in that fiery tempered community. The path of the strike organizer in North China must be a hard one, although it has to be admitted that there have been a few labor troubles here of late where the dove of peace failed to make his appearance, but, and here is your northerner's disposition again, there is some pretty good evidence to lead one to believe that these strikes were not entirely unjustifiable in view of the tremendously increased cost of living during the past year. Your northerner still preserves his sense of equilibrium and is open to a lot of argument before becoming a politically active citizen.

Tientsin, June 12, 1929.

Trade Statistics for May

Commodity prices continued to decline during the month of May, according to the figures published in the June 10 number of the bulletin of the Nankai Weekly Statistical Service. The index number for the average of the month was 109.8, the lowest point reached so far this year. It is, however above the average for last year and for the same month a year ago. Prices remained, on the whole, stable, the range of variation amounting to only 1.03 points.

The rates of foreign exchange in terms of Chinese currency went distinctly up for the month. The index for the average of May was 106.89 for Shanghai and 109.04 for Tientsin, with the number for 1926 equalling 100. For the first time in several years, the exchange rate for the Mexican dollar reached $2.50 for each American gold dollar. The drop in value of the Mexican dollar is believed to be due to the abundance of silver in Shanghai.

China and European Bank-Note Experiences

BY EDWARD KANN

(This article, the third of a series by Mr. Kann, traces the history of bank-notes in several European coutries, Mr. Kann's purpose being to show that China's experiences with bank-notes have not been essentially different from the experiences of other countries. The second article of the series appeared in the issue of May 11).

Banknotes in Austria

WHILE Spain was first in issuing paper money, this was done by private initiative of an army commander. The honour of the first Government issue belongs to Austria where, in 1761, the Minister of Finance wished to give to small investors an opportunity to participate in public loans. Certificates, bearing interest at the rate of 6%, were accordingly issued. Automatically these Treasury notes entered circulation as money. Further issues were made during the next decade, and although these had no legal tender qualities, they circulated at par.

As in every other country we observe here also that, due to the outbreak of a war, Austria rapidly increased her paper circulation which, in turn, started to depreciate. By declaring these notes legal tender in 1796, the Government thought to prevent a further decline; but the effect was just in the other direction. By 1800, the circulation aggregated 200 million florins, the value of which was then about 15% below face amount. The necessities of war were responsible for a rapidly increasing paper issue, the result thereof being that, in 1811, the total amount of notes issued had reached 1,060 million florins, but for 1 silver florin one could obtain 8 paper florins.

After the conclusion of peace, in 1811, Emperor Francis I sought methods of reform. As has happened since so often in other countries, nothing better could be thought of than the replacing of old paper issues by new notes bearing another name; the substitutes were called *Einloesunga-Scheine* and were handed out to the public on the basis of 1 new note for 5 old ones. This meant clearly a repudiation of 80 % of their original value. When war once more broke out, in 1812, the Treasury had to have recourse to large additional issues of fiduciary money which in turn had lost, by 1816, about 66% of their value. In 1815, after the establishment of peace, the Government had to declare another official devaluation, by fixing the rate at 1:12, ½ so that 100 paper florins were worth 8 silver florins. The former were styled *Wiener Waehrung* (Vienna currency), while the latter were called M.C. (metallic currency.)

The disturbance brought into the economic life of the sorely tried people can well be imagined. In 1816 the Austrian National Bank was founded and the outstanding government paper was converted into banknotes, 250 of the W. W. being receivable for 100 M. C. After proceeding for a few years the process of conversion was halted by troubles which arose in Naples.

The period of 1830 to 1848 was a comparatively quiet one for Austria, so that by that time 609 million florins W. W. had been redeemed, leaving only 10 millions in circulation. Thus was the entire paper circulation composed nearly exclusively of banknotes which had gradually reached par. But the year 1848 upset the order of things, for after the outbreak of the revolution the Government had to have recourse to the issue of new kinds of fiat money, some without legal tender quality. During the coming decade many reform plans were earnestly taken in hand, but the outbreak of war with Italy, in 1859, buried all hopes. The legal tender clause had to be re-established and large issues of further paper followed. The notes, which had been at par in 1859, soon lost about 25 % of their value.

Adoption of Gold Standard

In 1866 a new war broke out with Prussia, causing immense new supplies of paper money. This resulted in a renewed depreciation of 50 %. However, the country's finances began to improve and continued doing so, interrupted only by the economic crisis of 1873, until 1878. During the next decade the country's finances were again getting worse. However, from 1889 onwards Austria enjoyed continued prosperity, so that the authorities were enabled not only to discontinue the further issue of fiduciary money, but also to prepare real currency reform including the adoption of the gold standard.

The birth of a lasting currency reform dates back to 1892, when the old florin was abolished and replaced by the *Krone* which was introduced at the ratio of 2: 1. Paper money was reduced in quantity and well secured by metallic reserves held by the Austro-Hungarian National Bank. When the World War broke out Austria (and Hungary whose financial system was the same as Austria's) had a well regulated currency system.

The years from 1914 to 1923 were the most critical in Austrian financial history. During 1913 the banknotes circulation of the Austro-Hungarian Bank stood on an average at 2,500,000,000 *Kronen*. By the end of 1914 it had grown to 4,970,000,000 *Kronen*. Parallel with the depreciation of the country's currency went the disappearance of the metallic money. By the close of 1916 the note circulation had risen to 10,782,000,000, and two years thereafter it had reached the stupendous figure of 34,889,000,000 *Kronen*. When, after the signing of the peace treaty in 1919, the Austro-Hungarian Bank was liquidated, its note circulation stood at 44,646,000,000 *Kronen*, apart from a new circulation in the Austrian Republic of *Kronen* 9,383,000,000. By the end of 1923 the banknotes issue of the Republic of Austria had risen to the nearly unpronouncable figure of 7,125,755,000,000 *Kronen*.*

The value of the then circulating paper money sank accordingly. Expressed in terms of the United States dollar the Vienna quotation was, in July 1914, 4,9535. By the end of 1918 the quotation was 16.16 *Kronen*, while towards the end of 1922 a rate of 70,025 *Kronen* per dollar was recorded. During the second half-year of 1923 as much as as 70,760 *Kronen* were quoted for 1 U.S. dollar. Towards the close of 1923 the *Kronen* as currency was abolished in Austria and the *Schilling* introduced in its place, 10,000 paper *Kronen* being declared equal to 1 *Schilling*.

Austrian Paper Money 1796–1817.

Circulation Florins:	Value in Paper:
1796..... 46,800,000	100.25
1800 200,900,000	115
1805.....337,310,000	146
1810.....995,000,000	552
1815.....610,100,000	351
1817.....428,700,000	333

Banknotes in Germany

The forerunner of the German Reichsbank consisted of many provincial financial institutions which considered the business of issuing notes as a lucrative way to obtain funds free of interest. In 1846 the first modern issuing bank was opened under the style of *Preussiche Bank*. In 1859 there were 29 note issuing banks in Germany, but there was no co-operation amongst these, as every bank considered its sister institution as rival. Some of the German banks of that period emitted paper money even in foreign currencies.

Since 1872 the issue of banknotes in Germany has been in the hands of the state. The foundation of the German *Reichsbank* dates back to that period. In 1913 there remained only note issuing banks in Germany, aside from the *Reichsbank*. In spite of the many critical periods which Germany had to pass through in the course of the last hundred years, the history of the banknote circulation issued by many private and official banks there is a rather uneventful one, until the World War came to its end. As an immediate consequence of that supreme effort the remnants of an originally scientific financial system were carried along in its vortex, being smashed into the most infinitesimal atoms, unrecognisable and even unpronouncable.

At the outbreak of the war, in 1914, the gold standard was in full operation in Germany. Banknotes in circulation at that time aggregated about 2,000,000,000 marks, but as the war progressed the Government was forced to inflate its currency by the rapid issue of ever-growing quantities of inconvertible paper. Already by December of 1914 the circulation amounted to 5,046,000,000 marks, while a total of 22,188,000,000 marks was reached towards the close of 1918. Thereto have to be added the issue of Treasury notes, which then totalled 10,465,000,000 marks. At that time there was a general flight—nay stampede—from the mark, resulting in further stupendous inflation to figures which are almost incomprehensible. On November 15, 1923, the total German note circulation amounted to marks 92,844,721,000,000,000,000.

Against such an avalanche there was no remedy available except complete devaluation. This was officially decreed in October, 1923, when the *Rentenmark* was introduced in Germany. The old paper mark was fixed by law at a valuation of one-trillionth part of its original value, which meant that 1,000,000,000,000 paper marks could be exchanged for 1 *Rentenmark*.

The financing of the post-war period proved infinitely more difficult to Germany than the financing of the war itself, partly because the ravages of the war had brought the country complete ruin and partly because the amount of reparations payable by Germany remained undetermined for a lengthy period.

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*Vide F. Ruebe, "Das Geldwesen Spaniens" (1912)

*Vide Edwin R. Seligman, "Currency Inflation and Public Debt"

Vide "European Finance and Currency" (Vol I) by John Parke Young, Ph. D.

The following table shows the inflation of the currency (Treasury bills and banknotes) within 10½ months, i. e. the period from end of December 1922 to 15th November 1923, (Figures in millions of marks).*

End of:	Treasury Notes	Banknotes in circulation
December 1922	1,494,900	1,140,100
January 1923	2,081,600	1,984,500
February 1923	3,588,200	3,512,800
March 1923	6,601,100	5,517,900
April 1923	8,442,000	6,546,000
May 1923	10,275,000	8,563,700
June 1923	22,020,000	17,291,000
July 1923	57,849,000	43,595,000
August 1923	1,196,295,000	663,200,000
September 1923	46,716,616,000	28,228,815,000
October 1923	6,907,511,103,000	2,496,822,909,000
Novemb. 15 1923	192,580,465,221,000	92,844,720,743,000

Banknotes in Russia

The history of banknotes in Russia is comparatively new. Up to the rule of Catherine II only copper money was known in Russia. In 1768 the first paper issues made their appearance under the style of *assignats*. Only 20 million roubles were emitted at that time, and the notes were favourably received. The war against Turkey, however, caused an over-issue and consequent depreciation; in 1790 about 100 million roubles were in circulation. Six years thereafter 150 million roubles were outstanding in paper, and by that time the value of the notes had declined by about 25 %.

The Napoleonic wars were responsible for additional paper issues, and this resulted in a depreciation to 25% of face amount. The legal tender quality was first affixed to Russian paper money in 1812; three years later there were 812 million roubles in paper outstanding. Peace enabled the Government to slowly reduce the paper in circulation which, by 1824, had been reduced by one-third. But this was no real remedy, and the then Minister of Finance, *Cancrin*, decreed in 1829, that henceforth 3½ paper roubles should equal 1 silver rouble in value. Naturally this caused widespread distress amongst the population and actually amounted to a repudiation on the part of the Government.

The next step towards lasting reform was undertaken in 1834, when it was decided to replace the old *assignats* with government notes called *rouble credits*. By 1848 the amount of this new issue in circulation was 289 millions, guaranteed by a reserve of 100 million roubles in coin. The premium of gold gradually disappeared. Unfortunately another war followed, namely the Crimean, causing overissues of notes and a diminution of the metallic reserves. By 1858 the total sum of paper in circulation amounted to 735 millions, while the metallic reserve had sunk below 100 million roubles.

Then the plan of the creation of a State Bank was conceived with a monopoly of note issue and ample metallic reserves. The latter were procured through the sale of state domains and by means of a foreign loan. The redemption of old roubles against the new banknotes had, however, to be suspended in 1863, when the Polish Revolution broke out. Once more the value of the paper rouble declined, this time to 83½. During the next 10 years the paper rouble was subjected to wide fluctuations, according to budgetary conditions and crops. The outbreak of the Russo-Turkish war was responsible for new overissues and new depreciations. In 1879 the paper rouble was quoted at 63 kopeks, the total issue having grown to 1,188 millions.

In 1887 another reform scheme was undertaken, when 1½ paper roubles were declared to be equal in value to 1 silver rouble. It took nearly 10 years before stability was reached. Under Count *Witte* the financial system of Russia showed considerable improvements. The continual favourable trade balances enabled the country to accumulate a large, metallic reserve. Count Witte succeeded in 1896 in making a law, in terms of which 1½ paper roubles should equal 1 silver rouble, the new measure to enter into force after 1898. All subsequent issues of banknotes were to be secured by a reserve in gold. For the time being constant stability marked the Russian currency system. By the end of the nineteenth century the growing prosperity of the country made it feasible to reduce the circulation of notes to 630 million roubles and to simultaneously enlarge the metallic reserves.*

Effects of World War

The Great World War brought about conditions which were also prevailing in almost all belligerent countries. Redemption in specie ceased with the outbreak of war. The State Bank which, by law, was authorised to issue up to 300 million roubles paper without metallic reserves, rarely made use of this privilege. On the eve of the declaration of war, by the middle of July, 1914, the gold backing of Russia's banknotes was over, 92%, a circulation of 1,633 million roubles in notes having been backed by 1,604 million roubles in gold.* This latter amount was in the possession of the State Bank, but not all of it was designated as reserve for notes issued.

Simultaneously with the suspension of specie payment the State Bank was empowered to issue 1.2 milliards of banknotes without cover, aside from the original 300 millions roubles. When the revolution broke out, on March 1, 1917, the Bank had the authority to issue 10,117 million roubles without cover. At that time there was already a heavy premium on gold, namely 45% abroad, while on the home markets the paper rouble was traded on the basis of 27½ gold kopeks only. The Provisional Government extended the right of issue to 16,500 million roubles, a measure which resulted in further rapid depreciation. In October, 1917, the exchange rate of the rouble further dropped to 30 kopeks, while its purchasing power at home fell to 6 kopeks.

The Soviets had no other means than to continue the financial policy adopted by their predecessors. By October, 1918, the unsecured note issue of Russia had increased to about 50 billion roubles. In 1921 an earnest attempt was undertaken to regulate Russia's finances. It was, however, impossible to balance the budgets, so that recourse had to be taken to further stupendous overissues, causing unheard of inflation. The amount of paper currency issued in the million-roubles denomination of 1921 was as follows:*

July-December, 1921.....15,192,068 million roubles
January-July, 1922.....302,410,876 „ „
July-December, 1922.....1,679,751,073 „ „

In 1923 the augmentation of Russian paper issues was indicated in figures which are difficult to grasp, namely 176,505,500,000 million roubles. With the remorseless depreciation of the rouble the price of commodities rose to unprecedented levels. It is recorded that, between 1914 and 1922, the index of price commodities in Russia increased by 7,196.9%. The exchange value of the rouble (the gold parity of which was 9.46 roubles to the £) degenerated rapidly and fell in October, 1923, in Moscow to 5,040,000,000 to the £.* The consequence of this complete breakdown was a complete devaluation and repudiation of all Russian banknotes issued until the end of 1924.

Russian Paper Money: (old)

	Circulation *	Value in coin:
1844.....	30.7 million roubles	98.5%
1850.....	300.3 „	98.7%
1860.....	678.2 „	92.5%
1870.....	721.8 „	76.8%
1880.....	1,162.8 „	64.4%
1890.....	1,046.2 „	72.6%
1897.....	1,121.4 „	66.7%

Russian Paper Money: (new)*

(Figures in Chervontzi @ 10 roubles)

		Banknotes		Treasury Notes	
1923	Oct. 1.....	207.4	millions	—	
1924	Apr.1.....	289.7	„	54.6	millions
1924	Oct. 1.....	346.5	„	205 3	„
1925	Apr.1.....	402.4	„	244.5	„
1925	Oct. 1.....	652.-	„	340.6	„
1926	Apr.1.....	693.4	„	142.2	„
1926	Oct. 1.....	780.6	„	400.7	„
1927	Jan.1.....	812.2	„	427.4	„
1927	Jul. 1.....	878.7	„	421.6	„
1928	Jan.1.....	1,002.9	„	479.8	„

Banknotes in other European countries*

Space does not permit to me go deeply into the history of the smaller European states. Therefore brief reference will be made here merely to the more salient features, especially to the state of affairs caused by the World War.

Belgium: As one of the belligerent nations, Belgium was forced to have recourse to inflation. But here the situati onbecame doubly complicated, because immediately upon the occupation of the country by Germany, the latter forced the German currency system on the Belgian population. By a decree of October 3, 1914, the German authorities made the mark legal tender in Belgium at the arbitrary rate of francs 1.25 to the mark. After the armistice 6,073,000,000 marks were assembled in the vaults of the Belgian National Bank.

As regards Belgian circulation of fiduciary money after the war we find that on December 31, 1919, banknotes to the

*Vide "Currency Inflation and Public Debts" by Dr. Edwin R. A. Seligman.

*Vide: "Foreign Exchange & Foreign Bills" by W. F. Spalding (1928)
*„ : "Soviet Union Year Book," 1928
*„ : "La Reforme Monetaire de la Russie" by E. Lorini
Re. the new Russian Currency system and banknotes laws see: "Soviet Union Year Book," 1928 pp.414-416, and "European Currency and Finance" by John Parke Young, p.p.253-269.
*A good deal of data contained under this sub-heading has been gleaned from "European Currency and Finance" by John Parker Young, published in 1925 by the Washington Government Printing Office.

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extent of francs 4,785,925,724 were in circulation; the total circulation had risen, a year later, to francs 6,260,495,546, and on December 31, 1922, had further increased to francs 6,876,391,832.

The gold parity of the Belgian franc originally was U.S. $ 0.193. On June 1, 1924, Belgian currency had depreciated to $ 0.0433, or about 77 % of its original worth.

On October 25, 1926, Belgium stabilised her currency by adopting a new unit, the "belga", exchanging the latter against 5 old francs.

The Banque Nationale de Belgique retains the privilege of note issue. Its notes are redeemable against gold on demand.

Holland: Fiat money in circulation consists of banknotes and currency notes. The only bank of issue is *De Nederlandsche Bank*. In July 1914 the banknotes circulation amounted to about 320,000,000 guilders, but during the war a continual increase took place: in November, 1918, it stood at 1,062,000,000 guilders, at which level it remained for about three years. In the summer of 1924 the total issue had decreased to about 963,000,000 guilders.

Holland was not actively participating in the World War and derived even much material benefit from supplying the belligerents with material and food products. So it happened that Dutch currency was at first above gold par. After the armistice, however, a gradual setback occurred, resulting in devaluation up to 23% (August 1921). During the subsequent months the value of the Dutch guilder improved, reaching subsequently about 4% below par, at which level it remained for some years, before returning to the effective gold standard.

Sweden: The right of sole issue is vested in the *Severiges Riksbank* whose capital has been supplied by the State. Although Sweden was not directly involved in the Great War, the country was, of course, economically affected to a large extent. Thus it will be understood that the outbreak of the war was a signal, also for Sweden, to suspend the redemption of notes by specie. The conversion of notes into gold was resumed again on April 1, 1924, upon the return to the effective gold standard.

When peace was signed the Swedish krone stood above par. Very soon, however, depreciation set in. In April, 1920, the currency had depreciated 21½ %, in November, 1920, 29 %. Matters showed, however, steady improvement, for 2 years later the krone was back to par.

Norway: The only note issuing bank is the Norges Bank, founded in 1816 as a private joint stock enterprise. Similar to the practice of neighbouring countries the redemption of notes was suspended upon the outbreak of the European war. In June, 1914, the amount of banknotes in circulation was 123, 900,000 kronor. In October, 1924, the total had increased to 386,400,000 kronor.

In April, 1919, Noway's currency was above gold par. In May of that year a slight depreciation had taken place. One year later the devaluation had reached 30%. In May, 1921, it had gone further, namely to 41% below parity. The loss subsequently continued up to 50%, which was recorded in June 1924. The process of recovery was a slow one.

Denmark: As an immediate neighbour of Germany Denmark was directly affected by the World War. Though the country was never called upon actively to participate, it was deemed necessary to suspend specie payment upon the outbreak of hostilities. As will be seen from the following quotations the value of the Danish krone was, from 1915 to the close of 1918, above its gold parity. From then onwards, it declined, however, until stabilised; on January 1, 1927, the effective gold standard was once more in force. The right of note issue rests with the Nationalbankeni Kjobenhavn, created by Government charter in 1818.

The value of the Danish krone during specific years was:

	Kroner per $		Kroner per $
August, 1914.....	3.75½	December, 1919.....	5.20
December, 1914.....	4.02	„ , 1920.....	6.46
December, 1915.....	3.74	„ , 1921.....	4.98
„ , 1916.....	3.68	„ , 1922.....	4.87
„ , 1917.....	3.28	„ , 1923.....	5.65½
„ , 1918.....	3.73	August , 1924.....	6.19

Hungary: Until after the armistice Hungary shared the currency system of Austria. Consequently inflation and devaluation of the krone was, until 1920, as described already under "Austria". In 1920 a Communist Government was established in Budapest, and as the expenses of the State could not be met from ordinary income, resort was had to the issue of further fiduciary money. Even after the end of the Communist regime in Hungary was there no other way found than the issue of much more paper.

Upon the liquidation of the Austro-Hungarian Bank, in the spring of 1921, reorganisation provided for the entire withdrawal from circulation of the former issues, substituting for these new state notes, at par. The new Government Bank started to function on August 1, 1911. Political difficulties soon set it, forcing the authorities to inflate the country's currency to a great extent. This, in turn brought about rapid depreciation, which is best illustrated by the following price quotations: (in terms of Swiss francs).

January, 1919.....	29.72	April, 1922.....	—.63
December, 1919.....	3.32	December, 1922....	—.22
April, 1920.....	2.75	April, 1923.....	—.11
December, 1920.....	1.29	December, 1923....	—.030
May, 1921.....	2.45	March, 1924.....	—.009
December, 1921.....	—.74	September, 1924....	—.006

The monetary situation had become so embarrassed that new reconstructions plans had to be adopted. The new National Bank of Hungary began operations on June 24, 1924. The reconstruction plan is a joint work of the League of Nations and the Government; it contains as a prerequisite the absolute cessation of inflation. Naturally a foreign loan had to be obtained as a basis for currency reform.

When the Hungarian paper crown had to be stablised a good deal of thought had to be given to the ratio, which was finally fixed at 346,000 paper crowns to the £.

Czechoslovakia: Having been an integral part of the late Austro-Hungarian Monarchy, Czechoslovakia had a common currency system with the latter. By law of February 25, 1919, the new republic decided to carry out a currency separation from Austria. At that time about 10,000,000,000 of Austrian crowns were in circulation within the borders of the newly formed Czechoslovakia; the existing banknotes were stamped by the authorities, thus distinguishing them from the paper held by the neighbouring Austrian republic.

Due to the readjustment of conditions following the war period the currency of Czechoslovakia was subjected to considerable fluctuations, but on the whole serious depreciation was avoided. By decree of 1st April, 1926, the Czechoslovak National Bank was established. It was obligated then to keep the currency of the country, the koruna, at the ratio of about U. S. $ 3 for 100 crowns.

Poland: In contradistinction to its neighbour, Czechoslovakia. Poland had long drawn out and very serious currency troubles. After the armistice the Polish State Loan Bank issued the new currency, the Polish mark. Owing to continual budgetary troubles the Treasury's debts to the State Loan Bank grew continually, attaining, on February 1, 1924, the amount of 291 trillion marks; the total of paper outstanding on that day was 387 trillion marks. This procedure could lead to no other result than virtual devaluation. In January, 1924, 1 U.S. dollar was quoted at Warsaw at 10,000,000 marks. At that time financial reorganisation was begun. As first and fundamental condition it was decided that the Government Treasury could no more make use of the credit of the bank of issue. The Polish mark was then stabilised at 9,350,000 to the U. S. dollar. Simultaneously the Polish mark was withdrawn from circulation, being replaced by the new currency unit, the zloty. 1,800,000 marks, were made equal to 1 gold zloty.

The sole right of issue was then vested in the Bank of Poland, a joint-stock company with a capital of 100,000,000 zlotys(or gold francs). In 1926 and the early part of 1927 Polish currency once more showed signs of depreciation, but finally the country succeeded in stabilising the exchange at 48.43 zlotys to the £. For the purpose of making stabilisation on a gold basis complete, a currency loan was (in October, 1927) raised abroad.

The Balkans: All the Balkan countries were directly involved in the World War, causing them to inflate their currency and finally bringing about most serious devaluation. With the aid of currency loans, arranged through the intermediary of the League of Nations, the recent issues of the Balkan countries are backed by a legally prescribed metallic reserve and conditions are, for the time being, rather stable.

The National Bank of Bulgaria began operations on January 1, 1927, its note issue having been limited by law at 5½ milliards of lev. The bank is obliged to maintain its bullion reserves at one-third of its obligations at sight.

Rumania, having been occupied by the enemy, had sundry paper issues circulating, a fact which, combined with her own inflation, lead to serious depreciation of the country's currency. Gradually matters have improved, the lev being stablised in 1920 at 813.60 lei per £.

Yugoslavia was ravaged by the war and its currency system collapsed completely. With the aid of the League of Nations, and foreign currency loans, stabilisation was finally brought about.

The currency system of Switzerland has stood the test excellently, the country's money maintaining its full value all the time. For this reason there is no cause to discuss the history of banknotes issued by Switzerland.

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Testing Bureaus and the Silk Industry

BY PAUL K. WHANG (汪仲芳)

THE recent opening of the Shanghai Bureau of Inspection and Testing of Commercial Commodities under the auspices of the Ministry of Industry, Commerce and Labor has filled a long felt need for those Chinese products which the government hitherto has not deemed important enough for regulation. It is rather due to the pressure brought from the foreign countries that an Inspection Bureau for hair, wool, leather and meats was established at Tientsin by the old Ministry of Agriculture and Labor. Besides this, little or nothing has been done in the inspection of other Chinese commodities. The present testing bureau, however, does not confine its work to any single commodity, but intends to inspect and test all the Chinese products for exportation. This new bureau will be organized in all the ports of commercial importance in China, and each bureau, as we are told, will be comprised of as many departments as commodities which the port in question produces. The Shanghai Bureau has already organized two departments, the Cotton Testing Department and the Animal and Animal Products Testing Department, while a third, the Raw Silk Testing Department, is in the making. It is the last named organization which has very much caught the writer's fancy and hence this article is written in the hope of giving some helpful suggestions to those who are now strenuously building up this department.

That a government bureau for testing raw silk when properly and efficiently administered will do immense good to the promotion of silk industry is evidenced by the Japanese example, where the Imperial Testing House under supervision of the Japanese government has made it a rule that no bale of silk can be exported without its certificate. Through this restriction, silk of an inferior grade is banned from exportation, and this will help to elevate the credit of Japan silk, thereby increasing export trade. The Chinese government so far has not as yet seen the importance of having such a bureau, and left the silkmen to work out their own salvation. Though under the present business practice every bale of silk is tested before exportation, yet it is not tested by a neutral body but by the foreign buyers or foreign exporters themselves. In their testing, it is quite natural that no just verdict can be expected. The Shanghai International Testing House so far has only assumed the role of advisorship in helping Chinese silkmen to improve the quality of their silk, and its findings or testing results, which should be considered as final, have not yet been taken at their face value. Thus a strong organization is needed to standardize the testing of raw silk, but no organization can be made strong without the direct supervision of the government.

Opposition from Exporters

That the Raw Silk Testing Department will find its support from the Chinese silkmen is a matter of foregone conclusion. But the road to success is not altogether devoid of impediments. Its promoters will meet difficulties in the nature of work as well as in the opposition of the foreign exporters. As the second problem carries more weight than the first one, it deserves our first attention.

With the organization of the Raw Silk Testing Department, it is understood that henceforth every bale of raw silk for foreign exportation must bear its certificate Now the question arises whether the testing results as conducted by the new department can be considered as final. To uphold the dignity of the department, it goes without saying that its findings should be binding upon the sellers as well as the buyers. Naturally here follows another question whether the foreign buyers or exporters will abide by its findings. There lies the rub. Under the present business practice, each foreign exporter tests silk according to his own way of testing, and his findings, no matter how incomplete or unfair they are, are proclaimed as final. The sellers have no chance to overrule them. Therefore the buyers have been very much enriched at the expense of the sellers, With this in view, can we expect them to surrender their privileged position all of a sudden without making a fuss and to be content with the testing results as conducted by the Raw Silk Testing Department, an organization run by the Chinese experts under the supervision of the Chinese government? By all means, they will defy its findings as they have always done those of the Shanghai International Testing House. They will individually or collectively attack the new organization on various scores, the main of which is its being a Chinese government organization, as to them all the government organization are of bad flavor. It is quite natural that when one's interest is at stake, he will seek means for its preservation. So with the foreign exporters of raw silk. But, to be sure, the privileged position can not be always kept intact, and the day will come sooner or later when malpractice will give way to fair play. In spite of these besetting hardships, the Raw Silk Testing Department should carry out its avowed purpose to the extremity. It is not merely an organization through its testings to elevate the credit of China silk, but it should wield its power to see that its verdicts are binding equally upon the sellers as well as the buyers. Such an organization and only such an organization is needed in such a silk market as Greater Shanghai.

Capital and Experts Needed

As to the first problem, that is, the nature of work, the writer has in mind that in order to set up a modern and efficient testing laboratory, it needs an enormous amount of capital and the service of expert hands. With new needs of making use of raw silk, new ways of testing it are devised: At present, taking all in all, we have apparatus to test its size, winding quality, evenness, cleanness, neatness, cohesion, elasticity, elongation, boiling-off, and what not. All these apparatus and tests must be manipulated by expert hands. Moreover, raw silk is a delicate article, the grading of which is no easy task. Only men of experience and integrity can do it successfully. Therefore to organize this department, its promoters will meet the difficulty of securing the needed capital and the service of expert hands.

By all means, the nature of work of the Raw Silk Testing department is vastly different from that of the other two departments, which have already been set up under the Shanghai Bureau of Inspection and Testing of Commercial Commodities. They are alike in so far as the testing is concerned. In the case of animal products, the significance of inspection lies more or less in the hygienic and sanitary grounds, in order to testify that the products thus exported are wholesome. But in the case of raw silk, it is not to test whether that bale of raw silk is sanitary or insanitary for exportation, but it is rather to test whether that bale of raw silk falls in the "A" category or "Z" category; in other words, whether it is worth Tls. 1300 per picul or Tls. 900 per picul. Thus it is in every sense a price-fixer, a function now guarded by the foreign buyers themselves. Therefore the Raw Silk Testing Department has a dual function to serve—to test the silk as well as to fix the price.

In conclusion, in view of the present complicated marketing situation, the government is wise to step in to set up the Raw Silk Testing Department to look after the interest of China's raw silk industry. We congratulate upon its timely birth and pin a great hope on its future work.

Country-wide Chain of Air-Ports In United States

(Time Magazine, May 20)

Air transportion is becoming a bigger and bigger item Last week was announced the formation of a company to own and operate a country-wide chain of airports in the United States. It is to be known as Curtiss Airports Corp. Clement Melville Keys, onetime teacher of the classics at Ridley College, Ont., now president of Curtiss Aeroplane and Motor Co. and director of nearly a score of allied companies, is to be Chairman of the Board. Airports which are to form the skeleton of a still larger chain include: 1) Curtiss Airport, now being constructed at Valley Stream, L.I.; 2) New York Air Terminals (through 22% stock ownership), with a field at Secaucus, N. J., a lease on Hadley Field, New Brunswick, N. J., and various seaplane terminals to be constructed near New York Harbor; 3) Marvin Airport, at Fairfield, N. J.; 4) Reynolds Airport, near Glenview, north of Chicago; 5) Central Airport (through partial stock ownership), with a field at Camden, N. J., across the river from Philadelphia; 6) Main Line Airport (through controlling stock interest), with a field 18 miles west of Philadelphia; 7) Baltimore Airport, near Druid Hill Park on the outskirts of that city; 8) Willson Airport, to be constructed in Ohio across the river from Louisville, Ky.; 9) Bettis Airport (through controlling stock interest), with a field eight miles south of Pittsburgh; 10) Herrick Airport, near Gates Mills outside of Cleveland; 11) Steinberg Airport near East St. Louis; 12) Alameda Airport (through stock interest), across the bay from San Francisco; 13) Grand Central Air Terminal, at Glendale, Cal. near Los Angeles.

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The Cable Monopoly in the Far East*

THE newspaper-reading public, Chinese and foreign, in the Far East can have little conception of the life and death struggle which is now taking place in the Far East between private interests in control of cable and telegraphic communications. Furthermore, the Chinese people, generally speaking, can have little conception of the indirect political influences which have been exerted on Chinese affairs by a European cable monopoly, which, until the coming of radio had had absolute control of electrical communications both within China and between China and foreign ocuntries.

It is therefore important, at this juncture, that there should appear a book written by a prominent American, which gives the real facts in this important and vital matter of electrical communications in the Pacific. This is a book that should be read by all Chinese who are interested in this subject as well as the general subject of the independence and national reconstruction of their country. Likewise, it should be of interest to foreigners, particularly Americans, who are interested in the Far East from the standpoint of trade or international relations.

While dealing with the whole problem of electrical communications of the nations bordering on the Pacific and of the Island Sovereignties or dependencies in it, this volume is of especial value to those who have been in search of a comprehensive account of the events which led to a foreign controlled monopoly of China's telegraphic communications for many years, which is only now showing signs of breaking up.

The author was Secretary of the Convention Committee of the American Delegation to the International Radio-telegraphic Conference, Washington, D.C., fall of 1927.

He starts out by introducing us to the "Problem", stating that "formerly the Mediterranean was the center of the civilized world, today the Atlantic occupies that position, but.....events.....corroborate.....that tomorrow is likely to find the.....Pacific.....the center of the stage." The "Problem" as the American author puts it is, "What part will America play in this historical drama?"

The introduction takes in a few generalities, at least two of which are important to prepare the reader for the specific cases which follow.

First "It has been Britain's boast for centuries past that Britannia rules the waves. That naval supremacy is now over, but England has been the first to realize that propaganda rules not the waves, but the world."

Second the author quotes from a memorandum filed by Elihu Root, Jr. for the American members of the Preliminary Communications Conference, Washington, 1920, "It is a matter of common knowledge that the highly efficient cable system of Great Britain is so closely co-ordinated with the diplomatic and commercial interests of that country that no message which might be of value either to the British Foreign Office or to the British Board of Trade is assured of secrecy if at any point in its journey it passed over a British line."

After the introduction we are carried into specific phases of the Pacific communications problems, there being highly interesting chapters on South America, China, The Pacific (general), Japan and the Philippines.

From the point of interest to all nationals who are in anyway connected with a desire for the improvement of the economic welfare of China, and to those who have for years felt the depression of the monopolistic strangle-hold of the foreign controlled cable combine both in the matter of high rates and inadequate service, the chapter on China is paramount and this review will be confined to that portion of the volume.

First Suggestion of the "Open-door"

The author starts out by going back as far as 1844, before Pacific cables were seriously thought of. The American-Chinese Treaty of 1844 says in part "Citizens of the United States.....are admitted to trade with any and all subjects of China without distinction and they shall not be subject to any new limitations nor impeded in their business by monopolies and other injurious restrictions." This is the first suggestion of the "Open-door" to which the United States has adhered throughout all the succeeding years.

Article 30 of the Treaty of Tientsin of 1858 introduces the idea of the "most favored nation" clause. It reads "The contracting parties (United States and China) hereby agree that should at any time the Ta-Tsing Empire (China) grant to any nation or merchants or citizens of any nation any right, privilege or favor connected either with navigation, commerce, political or other intercourse which is not conferred in this treaty, such right, privilege and favor shall at once freely ensure to the benefit of the United States, its public officers, merchants and citizens."

The march of the monopoly, according to the book, started in about 1871 when the "Great Northern Telegraph Company, a Danish concern with cables in the Baltic and a line across Russia gained access through Northern China and started building extensive networks of cables in the China seas, connecting Vladivostock, Nagasaki, Shanghai, Amoy and Hongkong. The Eastern Extension had already completed their cable to Hongkong from their Indian and Straits terminals."

An understanding between these two companies led to the practical monopoly of the exterior communications of China by these companies for many years.

In 1874 Denmark asked for "guarantee of protection for her cable interests" from various powers. The United States position was stated in a letter from the American Secretary of State to the American Minister to Denmark, reading in part ".....a monopoly or exclusive grant is not to be desired."

Thence onward there was continual effort on the part of the Great Northern to establish and maintain a monopoly in China. The Great Northern seems to have always taken the lead, in all probability to hide the hand of Britain, for, although the Great Northern is a Danish organized concern, the author states it "is really under British control at least as far as the Pacific area is concerned." However the Eastern Extension (an acknowledged British concern) and later the Commercial Pacific Cable, whose "dark gentleman in the wood-pile dragged forth in the Cable Landing Licenses hearing in 1821 brought to light the testimony that one-half its stock was owned by the Eastern Extension and another quarter by Great Northern although alleged to be American," have always seemed to be in on the various deals, secretly or otherwise.

In January 1882 it was officially reported that the Great Northern had a contract to construct a line from Tientsin to Peking. It was said "nothing but the military advantage of such a line has led the Chinese Government to give its consent through the person of the Viceroy."

By June, 1882 the Chinese Government had guaranteed to the Great Northern for twenty years an "exclusive monopoly (excluding the Eastern Extension at this time) to construct and use submarine telegraphs throughout the Chinese Empire." The American Minister called the attention of the Chinese Minister of Foreign Affairs to the objectionable features of this agreement but got no satisfaction, even though it was pointed out that the same Chinese Government had given a Mr. Burlingame permission in 1866 for Americans to lay a cable from Canton to Tientsin.

The compensation for the monopoly was the privilege given the Chinese Government of transmitting free of charge its messages to and from its diplomatic representatives abroad.

The "Joint Purse" Agreement

The famous "Joint Purse" agreement of July 11, 1896 between Denmark (Great Northern Telegraph Company), Great Britain (Eastern Extension) and China (Chinese Telegraph Administration) was the ripening of the understanding between the two companies to perfect for all purposes an iron clad monopoly of communications in China.

This agreement provided that the revenue from both the cables and the landlines should be divided: one-third to the Chinese Telegraph Administration and one-third each to the companies, provided always each of the contracting parties bear its own working expenses.

Several additional agreements were negotiated subsequently each one adding a little more to the strangle-hold of the combine.

The agreement of October 26, 1900 at the time of the Boxer Rebellion has several articles which are significant. For instance Article I reads: "The companies undertake to use their influence with their respective Governments to obtain from the allies permission for the Administration to erect landlines between Taku and Peking, on the condition that the companies shall have absolute control of the stations at Taku, Tientsin and Peking." Article V. reads: "This agreement shall continue in force until the majority of the Foreign Trade shall have been withdrawn and.....

*International Aspects of Electrical Communications in the Pacific Area. Leslie Bennett Tribolet, Ph. D., John Hopkins Press, Baltimore, 1929. 282 p.p. with bibliography and index.

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W. J. Wen
Director,
National Bureau of Trade Marks,
Nanking.

peace.....in North China.....re-established."

But the most glaring of all actions was that of the British Government agreement of April 23, 1901, which forms the basis for the present claim to monopoly communication rights in China and Chinese waters by the "Joint Purse" adherents. Article III of this agreement (with the Eastern Extension Company for a submarine cable between Chefoo, Weihaiwei and Taku) says "negotiations" with the Administration (Chinese Telegraph) resulted in the following basis of agreements, the terms of which have since been embodied in two formal agreements duly executed between the Administration on one part and the Great Northern Company and the company (Eastern Extension) of the other part....."(a) the company and the Great Northern Company are to provide and lay, for Chinese Account, a cable between Taku and Shanghai connecting Chefoo enroute, with the right to lay branch cables from Chefoo to Weihaiwei, Port Arthur and Kiaochau to meet the requirements of the British, Russian and German Governments; (b) all existing agreements and concessions between the Administration and the companies, or either of them are to be extended, and shall remain in force until the 31st day of December, 1930.

Secret Agreements

It has since been pointed out that these secret agreements were negotiated during the seige of Peking (August 4, 1900) when the allies were supposed to be acting in good faith and adhering to the policy of the open door. It is a moot question as to what constituted the Chinese Telegraph Administration which could accede to such far-reaching agreements not in accordance with past Sino-American policy.

It is peculiar also that within the same period the open agreement between Germany and Great Britain relative to China (October 16, 1900) stated in Article I: "It is a matter of joint and permanent international interest that the ports and rivers and littoral of China should remain free and open to trade and to every other legitimate form of economic activity for the nationals of all countries without distinction and the two governments agree on their part to uphold the same for all Chinese territory as far as they can exercise their influence."

In the face of this the British Government ratified the secret, monopolistic communications agreements of 1900 in the following year.

The author goes on to show the abortive attempts of the Japanese to secure a monopolistic hold on the Radio communications of China. The British again are seen trying the same thing through the efforts of the Marconi Company. He gives the most explicit of all statements of the American Government's understanding of the Open Door Policy by quoting from a letter from Secretary of State Hughes to the Chinese Minister at Washington which, in part, says, "The Government of the United States has never associated itself with any arrangement which sought to establish any special rights or privileges in China which would abridge the rights of the subjects or citizens of other friendly states and I am happy to assure you that it is the purpose of this government neither to participate nor to acquiesce in any arrangement which might purpose to establish....superiority of rights....or which might seek to create any such monopoly....as would exclude other nationals from undertaking any legitimate trade or industry or from participating with the Chinese in any category of public enterprise."

The Federal Telegraph Company contract with China "contains no monopolistic feature" according to the author.

It is, perhaps, unfortunate that the book was apparently finished in the early part of 1928, as there has been more activity toward correcting the bad situation with regard to China's communications, during the past twelve months than for many years. China is, today, well on her way to establishing an adequate communication system, both domestic and international, under her own control. She is already building some of her own equipment, managing her own radio stations and having the good sense to accept the assistance of foreign nationals who honestly want to see China run her own communications if she will only provide us a terminal for the exchange of correspondence between our countries and hers.

You should read the book, for, as such dissertations go, it contains more "spice" and greater insight, than anything yet written on such an important subject.

G. F. C.

Shanghai, June 10, 1929.

The Labor Party and Sino-British Relations

BY C. Y. W. MENG 孟昭彝律師

THAT a change of the political party in power necessarily involves a change of policy, both domestic and foreign, goes without saying. When the Tanaka Party came into power in Japan, the Chinese characterized this as "Chinese enemy again in power in Japan," and further predicted with certainly that a series of troubles between China and Japan must occur due to Japan's gunboat policy which would react on the growing Chinese nationalism. Indeed, the prophecy realized itself when the Japanese, in blocking the advance of the Nationalist armies, clashed with the Nationalists, which event is now known as the Tsinan Tragedy of May 3rd.

What the Chinese Hope from the Labor Party

So, when the Conservative Party was going to fall, the Chinese hoped very eagerly for the election of the Labor Party—a Party which is said to be more conciliatory in its attitude toward China. The Chinese hoped that the British gunboat policy of the Conservatives would be displaced by the more friendly and conciliatory policy of the Labor Party, that the British would return Weihaiwei to China, that the new Government would take the initial steps to relinquish extrality in China, and to conclude treaties based on the principles of equality and reciprocity, and that the British would now return all the British concessions to China. The grounds for these "hopes" are the claims of the Labor Party to be more in sympathy with the "oppressed races" in the world, and to advocate the principles of universal love and racial equality.

Whether the Labor Party is going to fulfil the hopes of the Chinese, or is going to disappoint the Chinese altogether, only time can tell. But after a close study of the Labor policy, there are at least some prospects for fulfillment of these hopes.

Labor's Foreign Policy

There is much hope for China in the foreign policy of the Labor Party. This policy is, in part, as follows.

(1) Striving for international peace and international cooperation, disapproval of war as a means of settling disputes, opposition to compulsory military service, immediate signing of the Pact of the League of Nations regarding arbitration, disapproval of the so called Anglo-French Secret Naval Pact, unconditional evacuation of Rhine, encouragment of the realization of international economic cooperation as decided by the League of Nations, etc.

(2) Liberalization of the British Empire: equal treatment for all British colonists; autonomous government for India; steps to prevent the cruel treatment of the British colonists by the British capitalists; prohibition of unequal and cruel treatment of colonial laborers; encouragement and development of education of local peoples; the realization of local self-government within the shortest possible time.

(3) Relations with Russia: With the Labor Party in power, a tremendous change occurs in Anglo-Russian diplomatic relations. We remember the breaking off of diplomatic relations with Russia caused the downfall of the First Labor Cabinet. So, to resume relations with Russia has been the policy of the Labor Party. Further, British producers have been anxious to cooperate with Russia. In the spring of this year, a group of British producers took a trip to Russia, and it is said, concluded an informal agreement with the Soviet authorities. The joining of Britain and Russia certainly will have some effect on the American-Russian relations, particularly since the Russians are in need of American cotton, and American industrialists are anxious to extend their trade with Russia.

Labor's China Policy

But what interests us is the Labor Party's China policy. It is stated in one telegram from London that the Labor Far Eastern policy is not different from the Conservative. In another telegram, it is stated that the new Premier of the Labor Cabinet considers the Conservative's China policy appropriate, not imperialistic. Therefore, the Chinese are reminded not to hope for immediate, tremendous change of the British policy towards China, though there is a change of government in Britain.

The Chinese Should Not Hope Too Much

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THE CITY GOVERNMENT OF GREATER SHANGHAI

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1. Plans submitted are to be classified into nine categories in correspondence with the nine bureaux above referred to. They may cover either a part or the whole scope of the work of any of the bureaux. A general plan embracing the entire field of municipal administration or construction will be particularly welcomed.

2. The names, nationalities, and addresses of those who submit plans should be given in full.

3. All articles shall be sent to the Secretariat, The City Government of Greater Shenghai, New Western District, Shanghai, not later than September 30th, 1929.

4. For purpose of reference, various kinds of publication, such as reports, statistics, etc. concerning the work done by this Government, may be obtained free of charge from the Secretariat on application either in person or by mail.

5. Articles submitted will be returned only when plainly so indicated thereon.

6. All articles shall be plainly written or typewritten. Foreign contributors may use the English language.

7. In case the execution of any plan entails enormous expenditure, a financial scheme in connection therewith shall also be submitted.

8. In the event of any plan being found practicable by the Committee for the Discussion of Constructive Endeavors and confirmed by the Mayor, the following alternative rewards will be granted:—

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comment of the Chinese newspapers. A telegram from Tokio states that though the Labor Party declared sometime ago that they would return Weihaiwei to China before the Japanese would return Kaochowwan, yet the date for the actual return of Weihaiwei is not yet known. "But," continues the telegram, "the return of Weihaiwei will not be unconditional. All the rights which the British acquired by the Treaty in 1898 would not be altogether given up. Outwardly, the territory might be said to have returned to China, but there must be some reciprocal conditions, such as the opening of Weihaiwei as the coaling station of the British naval forces, and some other conditions relating to other problems."

This is similar to the evacuation of the Rhine, concerning which the British have disappointed the Germans. The new foreign minister, appointed by the Labor Party, in an interview with reporters said that the British Government is going to evacuate all the British troops on German soil, but the matter must first be considered seriously and be referred to the other powers concerned." The papers in Berlin expressed disappointment at the Minister's speech, adding that the Labor Party is following the same policy as the Conservatives. In other words, the Labor Party which claims to be in sympathy with the oppressed people in the world, etc., does not depart from the cunning diplomacy of the imperialists who, when they promise to do something, follow the promise with "but" or "if," or, in case of China, "but the time is not yet ripe." The British may disappoint the Chinese just as they have disappointed the Germans.

What Should the Chinese Do?

The British Labor Party and the Kuomintang have very much in common, which means that it would be easy for them to cultivate friendship. The Chinese should not hope this or that from the British but rather take steps to realize what we are hoping for. The Second Plenary Session of the C. E. C. is now holding in Nanking. It is well for the Committee, representating the Chinese, to put their case clearly and definitely before the British, seeking for their sympathy and asking that the Labor Party which now dominates Britain to do what was promised by Chamberlin. It is also the duty of the Chinese diplomats to exercise diplomatic skill to raise the status of China in the family of nations. The history of the twentieth century tells us that diplomacy saved many a nation. Germany before unification joined Denmark in her war against Austria, and further united with Britain in her war against France. Japan joined Britain in the war with Russia. A diplomatic victory is more signficant than an armed victory. Therefore, we hope someday in the near future to see the joining hands of two great nations, one in the west and the other in the Far East, and we want further to see both of them pledged to treat one another in the true spirit of equality and brotherly love.

Shanghai, June 14, 1929.

KUOMINTANG STATES VIEWS ON FENG QUESTION

(*Continued from page 153*)

Since the consummation of national unification, the whole nation looks to the Party for peace and construction, and none but communists, reactionaries, and tools of imperialism would threaten to plunge the country into further bloodshed; the Kwangsi militarists, having rebelled against the will of the nation, only headed for their own destruction. Feng saw a good opportunity in the Kwangsi rebellion and plotted against the authority of the Central Government. He disrupted communications which indicated his determination to obtain assistance from Soviet Russia. Though he was ignorant of Party principles and cared not about his country, Feng assumed the presumptuous title of Commander-in-Chief of the "Party-Safeguarding and Nation-Salvation Army". There must be some upright people among the rank and file of the North-West Army who will sever connections with their rebellious superior.

Comrades of the Party must bear in mind that, with the final success of the revolution in view, all the reactionary forces will stage a life and death struggle against it. Party discipline, human justice, and even the revolution itself will be shaken to the ground unless the rebel, Feng Yu-hsiang, is got rid off. The Party is besieged by reactionary forces from all sides, and it devolves upon our comrades to break through the siege with stout Hearts and singleness of purpose, and most important of all, spiritual solidartiy, so that the great and noble task of the revolution may be consummated. Fellow-countrymen are, especially, called upon to stand for justice and uprightness, so that the traitor, Feng Yu-hsiang, will be accorded due punishment and this will constitute the last campaign towards the attainment of real unification and permanent peace.

After General Chiang Kai-shek, What?

Editor, *The China Weekly Review*:—
Sir:

While the National Government at Nanking is exerting itself to the utmost to prevent the hostilities into which General Feng Yu-hsiang is being forced by a combination of circumstances and his own stubborn refusal to believe that his day as a popular prophet is done, there is heard no small amount of comment on the part of members of the foreign population, expressing the hope that the present government at Nanking will fall.

To this sentiment an appropriate rejoinder would perhaps be, "After Chiang Kai-shek, what?", for unless Feng Yu-hsiang has suddenly developed greater administrative abilities than he has previously demonstrated and surrounded himself with a different type of official class than that which has become so well known to residents of North China in past years, there would appear to be small hope of an improvement should he replace General Chiang as President of China and interpreter of the people's will.

It is quite true, as its own heads will admit, both publicly and privately, that the Nanking government is far from perfect and has a long way to go before it accomplishes all that it has laid out for itself to accomplish in the way of unifying the country and providing it with a government which will ensure peace and prosperity to the people and put into practical operation the legacy of its late leader, Doctor Sun Yat-sen. But, it must be more and more apparent to those who will look and learn that the present National Government is the best administration that China has been able to evolve after eighteen years of revolutionary strife; that it has more claim to be called a National Government than had any of its predecessors and that, whatever its faults, it is, in the areas where it is able to function unmolested by military chieftains of the Feng type, instituting civil government in place of the rule of petty military officials.

In fact, while the National Government at Nanking has constantly to bear the opprobrium heaped upon it by ill wishers of being a military government, supported by military force, it is in fact more of a civil authority than any of its precursors and in its counsels there is more weight given to civil than to military opinion.

In contrast to a government where civil authority is respected and constantly increased is the type of government standardized by the leader of the Kuominchun, where civil administrators are figure heads and the only authority is purely military and this is exactly what China will get if Feng is able to unseat the Nanking government this summer. It will be a reversion to military dictatorship, pure and simple, a one man rule, liable to be upset at any moment by natural causes or an assasin's bomb and its advantages to foreigners over the present scheme of things wherein progress constantly is being evidenced is difficult to envisage.

There may be some immediate advantages to foreign interests, looking at the matter short-sightedly, in the overturn of the National Government, such as delaying the rendition of concessions and settlements and the abolition of extraterritoriality. But from the broader point of view of the eventual wellfare of the country as a whole and of the prosperity of its residents, foreign and Chinese alike, it would appear to be for the best interests of all concerned to have continued in office a government composed largely of foreign trained, civil administrators rather than to revert to the despotism, benevolent or otherwise, which is all that can be expected should Feng Yu-hsiang seize the supreme authority.

Tientsin, June 13, 1929. H. D. W.

Russian-American Airmen Staging Good-will Flights

The official Russian newspaper *Isvestia*, published at Moscow, contains a report that two Russian aviators, flying a combination land and water plane, will hop off from Moscow early in August for a flight to the United States. The name of the Russian plane is the "Soviet-land" and stops will be made at Habarovsk, Kamchatka, Sitka, Alaska, Seattle, San Francisco, Chicago, and New York. At the same time two American airmen named Hagenberger and Whitehead, will fly from the United States to Moscow. The Russian airmen who will make the trip are named Shestakoff and Bolotoff, one of whom made the flight from Moscow to Peiping and Tokyo three or four years ago.

Opium Confiscation at Manila

Cases labeled "dried shrimps", unloaded from the Dollar Liner, President Lincoln, in Manila recently, were found to contain 4,750 tins of opium weighing about 280 kilos and valued at more than $75,000. The haul is among the largest made by the Philippine Customs secret service in recent years.

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New Books of Interest in the Far East

The Reasons For War

The Origin of the Next War. By John Bakeless. The Viking Press, New York.

The Origin of the Next War is particularly recommended for perusal by those individuals who believe that the causes of war have been eliminated; and for those who are convinced that the civilized world has become so impregnated with idealism and an aversion for war that another major military conflict is beyond the range of reason.

John Bakeless is not a "jingoist". He does not write with the idea of manufacturing legitimate causes for war, or even of unduly alarming his readers. He explains quite simply the true reasons for war; reasons gleaned from the history of past conflicts. These reasons include; differences in face and religion; the ambitions of dynasties; efforts to reduce domestic discord by directing civil animosities against a foreign foe; efforts to impose a "superior" culture upon unwilling and "inferior" beneficiaries; the defence of neutral rights; national yearnings for hegemony and prestige; resentment of affronts; revenge for defeats suffered in previous wars; chauvinism among army and navy officers and high ranking civilians, and the necessity for national expansion to accomodate an increase in population. Whether or not these conditions exist, the author points out, is immaterial. The fact that the people *think* they exist is equivalent to their existence.

From these "causes" the author passes to a discussion ofthe tensions of the modern world such as: population and expansion; the Mediterranean; access to the sea; and irridentism. These four subjects have alone been the cause of more than one war in the past, and they continue to form the basis of discussion by diplomats and statisticians.

Two chapters merit more than passing notice. In "Wars that missed Fire" allusion is made to many incidents which come within our own personal knowledge, and which missed precipitating a war by a narrow margin. Some of these are: The Moroccan Crisis of 1905; the Casablanca incident of 1907-08; the Bosnian Crisis of 1907-09, and the Agadir Crisis of 1911.

In the chapter entitled "Some Disquieting Similarities" attention is directed to the situation in Turkey in 1922 after Smyrna had been recaptured by the Turks. Great Britain was favoring the Greeks at that time, while France, with whom she still maintained an *entente cordiale*, was backing Turkey. Lloyd George, the British Premier, sent out an appeal to the Dominions, and to Rumania, Jugoslavia and Greece, for support against Turkey. Lloyd George was ready for another war.Fortunately the Dominions politely begged to be excused, and Lloyd George was forced to climb down from his limb. It does not, however, require much imagination to realize that the situation held all the potentialities for another world conflict.

The author of this volume is thirty-five years of age, and a graduate of Williams College (1918). He took his A. M. at Harvard in 1920, after serving in the army during the World War. In 1925-26 he was a graduate student at Harvard. Since 1926 he has been managing editor of "The Forum". He is also the author of "The Economic Causes of Modern War".

E. F. C.

A Novel Of New Russia

Cement. By Feodor Vasilievich Gladkov. Translated from the Russian by A. S. Arthur and C. Ashleigh. International Publishers, New York, 1929.

This book is now a few years old, but the English translation is new. It is a picture of life in Russia eight or nine years ago, beginning in the period of attempted Communism and passing on to that of the New Economic Policy. Though crude at times, it is in general pretty well done, and well worth reading.

The story centers in a town the main economic life of which is the big cement works, idle during years of revolution and civil war.A factory worker, who through years of grim military service has learned to dominate and to command, returns to the town and endeavors to get the factory workers and political bodies to start the work of the great plant again. Here is shown a cross-section, probably typical enough, of the economic attempts of that time, with the great reconstructive zeal of revolutionary workers struggling against the dead weight of the Soviet bureaucracy, the inertia of the scholarly theorists of the economic bodies, the deliberate sabotage of some of the technical experts from the old order.

There is no doubt as to the sympathies of the author of this book. They are clearly with the new revolutionary Russia. And yet it is no pretty picture such as parlor Bolsheviks like to paint for us, of the noble, heroic, and exhausted officials of the Soviet State struggling against the inertia of the dull and ignorant masses. The author emphasizes, insistently at times, the aspirations of the masses and the obstacle of bureaucracy. And yet one realizes how hopeless is the remedy which leaps at once to the minds of these revolutionary workers when faced with some particularly outrageous bit of sluggishness or sabotage from above: "These people ought to be stood up against a wall and shot." Whatever may be said of the merits or demerits of this plan, it can hardly be said to contribute much to the reorganization of a shattered industry.

In general, it is a good picture of the Communist psychology, men's and women's. The hero (if we may so designate him) has learned many things in the civil war, but he has not learned to treat women as comrades and equals. Coming "home," he finds his wife devoted altogether to political and social activities, an active and hard-working Communist with no interest either in his masculinity or in their former home, who informs him that he's a good soldier but a bad Communist. She has herself experienced the worst horrors of the civil war, is a hardened revolutionist into whose soul the iron has entered once and for all. and will no longer be the docile domestic animal of the pre-revolutionary home in Russia. The struggle between these two is a dramatic one, and their lives are told with a frankness and candor which absolves the writer once and for all of any attempt to present Communists as models of goodness and ascetic sweetness. I suspect that many parlor Bolsheviks will declare the book a gross libel upon Soviet Russia, where it was written and published.

One dramatic element comes in with the adoption of the New Economic Policy permitting private trade. These hardened, steeled revolutionists, after years of suffering and war, when it seems that the foreign invasion and the White menace is at an end and Communist Russia has now an opportunity to grow and wax strong, are faced with the new policy, with little cafes and luxury shops opening up while people starve in the streets: "all the old devilment back again," as the perplexed and bitterly discontented worker-Communists put it. To some it seems that the years of horror have been in vain. Some are expelled from the Party in the "cleaning-out." Some commit suicide. These people did not know what parlor Bolsheviks and Russian diplomats now blandly inform us,—that the attempted Communism was merely a "war measure" and that the Soviet Government was never really trying to establish a communistic order.

It's not a "nice" book. If you are shocked at impolite language and horrified at "immoral conduct," don't read it. You may know how soldiers talk under stress, and how they conduct themselves at times. Well, here you have a whole community talking this way, and sometimes acting this way as well. And the book is naked realism. Perhaps it gives a better understanding of Soviet Russia of the third year than all the statistics of Bolsheviks and anti-Bolsheviks, and all the studies and arguments of White, Red, and pink scholars and journalists and propagandists, can ever do.

Harry Paxton Howard

John Dewey On Russia

Impressions of Soviet Russia and the Revolutionary World. By John Dewey. New Republic, Inc. 421 West 21st Street, New York.

Dr. Dewey's book is a collection of articles that have appeared in the New Republic the past few years and brought together in this maner they form a broad survey of the past revolutionary decade. It comprises four sections dealing with the recent upheavals in Russia, Mexico, Turkey and China. He writes from his own observation and he says that one thing he has learned is the necessity of giving exact dating to every statement. Things are moving so rapidly in these countries that information which is four or five years old turns out to be misinformation. This accounts for much of the ignorance concerning affairs in the disturbed areas of the world. For this reason the chapters on Soviet Russia, dated 1928 are more informative than the ones on China dated 1920. They are all of great historical value, however, the dates should be considered.

The impression left upon the author's mind after his sojourn in Russia was that in spite of the poverty and rags there is vitality and energy. "The people go about as if some mighty and oppressive load had been removed." The present state is one of transition and the economic aspect is of less importance than the achieved revolution of the mind. He says that Communism in some form may be the issue of the present transition but there is little indication of it today. The chapters on the Russian schools are enlightening. This is the field in which Dr. Dewey is most at home and he finds much to commend in the way Russia is handling the problem of educating the millions who have been so long completely neglected. The center of gravity which for a time had to be placed in the political struggle has now shifted toward cultural work. While he looks upon the revolution in Russia as an experiment whose outcome is quite undetermined, he considers it the most interesting experiment going on upon our globe today.

In the section on Mexico there is an illuminating chapter on "Church and State." The dramatic events of 1926 are described and theories advanced in explanation. The author sees in it a "belated chapter in the secular struggle of church and state". On general historic grounds he ventures the prophesy of victory for the state.

The chapter on education is most encouraging. There is a serious and well-directed effort to educate the Indians and incorporate them into the modern life of the state. This a task of such extraordinary difficulty that they deserve great credit for any progress they are making. Dr. Dewey sees this educational activity as the brightest spot in Mexico today.

The discussion of Mexico closes with some interesting thoughts on Imperialism. The author thinks that an understanding on the part of the people of the United States of the Spanish-American view of the Monroe Doctrine would be most helpful. The sacred doctrine has become entangled with all the forces which plunge us into Imperialism.

The upheaval in Turkey is similar to the one in Mexico. There is the tragedy of minorities, the struggle between church and state and the inevitable foreign interference. The condition is described as "a jumble with no outstanding fact except that of general suffering". But this was written in 1924. Much has happened in the meantime.

The chapters on China go back still farther—to 1920. They are interesting historically but as they were written before the recent activities of the Nationalists they do not give the whole story.

In seeing these four pictures side by side one is impressed most forcibly with the fact that in reality it is one picture. Russia, Mexico, Turkey and China are not isolated upheavals but are parts of the great world revolution.

B. M. P.

A New Text-Book

Fundamentals of Physics. By A. L. Fitch. With 100 diagrams and 18 portraits. 325 pages. Published by Thomas Y. Crowell Company, New York. Price $2.50 gold.

So rapid and numerous have been the advances made in the field of physics, that recent text books on general physics have tended toward the size of a regular German "Handbuch". It is therefore refreshing to read a book of half the usual size. This together with the simple construction of sentences will recommend this book to Chinese students who have not acquired the capacity of fast reading in a foreign language. The comparatively low price is another attraction.

Other good features are the following:

(1)—Much new material has been included and interwoven in the text, such as vacuum tubes, photo-electric effect, piezo electricity, Bohr's theory of the atom, Millikan's determination of the charge of an electron, and Michelson's recent determination of the velocity of light.

(2)—Portraits of great physicists, both living and dead, with short biographical sketches, are bound to make physics less cold and rigid and more human to the students. One would however wonder why the portraits of Galileo and Einstein, two of the greatest minds of all times, are not included.

(3)—The diagrams, which are all schematic, are clear, simple and to the point.

In a number of cases, the explanations have been too brief, so much so that even for one who knows what the author has in mind it is difficult to grasp the point. (for instance, the paragraph on electric displacement.) Should the author be willing to sacrifice the number of topics included in the text and elaborate somewhat on his

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explanations or mathematical derivations, the book might be made even more useful to students who are taking an introductory course in physics. Van der Waal's Equation and Gas Laws based upon Kinetic Theory considerations, and the experiments of Kamerlingh Onnes at low temperatures, may well be omitted in such an elementary text.

C. T. Kwei,
Department of Physics,
Shanghai College.

A New Novel

A Great Man, a novel by Walter Vogdes, published by Longmans, Green and Company.

Here is a first novel of considerable power by a new American author portraying with relentless swiftness and with passages of brilliance that phase of American life as lived in the early days of San Francisco. Few writers know this period better than Vogdes, who for years was on the editorial staff of a San Francisco newspaper and who, because of his contacts and his well controlled imagination, has a very thorough knowledge of the intricacies of the problems, civic and moral, besetting the California pioneers.

This is not a story of the gold rush; that has been competently covered by no less than Bret Harte, but *A Great Man* deals with a phase of the subject that Bret Harte or even Norris could not handle.

The great man is David Frazer, a man who flings himself into the whirlpool of pioneer civic politics and responsibilities with relentless energy and overweening ambition. Frazer passes through the Golden Gate in an old grey sailing ship that has fought its way around the Horn, and steps into a city of low shacks, streets that are mud channels, pioneers who are wasteful because they find the horn of plenty has been poured into their laps. A pleasure loving, unmoral, unscrupulous crowd. The great man realizes the opportunities that the wasted resources of man and nature have placed into his hands and proceeds to make the best of them.

He has only one thought—that of himself; and he builds a pyramid and seats himself upon its apex. Everything, every man that threatens that pyramid of success must be battered down, and Frazer, allying himself as the equal of those leaders whose name at a later date headed the roster of civic builders, has a few hectic hours in which he dominates them all. But the machine he has created turns on its master and wipes out his best friend, and the moment arrives when the great man suddenly realizes that he is not the dictator he thought he was, but the tool of others more powerful than himself. There is the simplicity and great force of a Greek drama in the handling of Frazer's career but there is also telling irony.

One finds oneself more sympathetic towards Frazer's staunch friend, Dr. Darley Lewis, than towards Frazer. Lewis is an onlooker, an idealist, perhaps an atheist in creed, or lack of creed, but a man who repairs the physical damage to the hundreds mowed down as the result of his friend's gargantum machine—the Vigilantes. After all one is inclined to feel that the great man is none other than Dr. Lewis, whose ambition is such as not to interfere with the practices of his own sane moral code. At least there are times when he is a greater man than Frazer. It is Frazer who releases the passions of the mob, it is Lewis who tries to stop those passions before they get out of hand; but it is Lewis and not Frazer who is hounded out of the State.

Frazer with the power of the mob behind him is a menace operating in the name of right and of morality; Lewis, an individual gifted with acute reasoning power and a balanced sense of humor, has no more power than a man closeted in a dark vault, for the power of right unless organized is no power at all when mob feeling is turned loose.

There are passages of beauty in *A Great Man*, and passages of considerable daring, but the very naturalness and inevitability of the latter are as much a part of the whole panorama as the sun's rays are to the sun. The book is a keen, searching analysis of the rise of a superlatively ambitious man, at a period in American social life when to rise to power was to do so only by crushing others and rising at their expense.

Mr. Vogdes' next novel will be awaited with keen interest.

R. E. S.

Guptill Appointed Managing-Editor North-China Star

Albert M. Guptill, for several years connected with the American Consular Service in Shanghai, Tsinan and more recently in Nanking, has resigned to accept the position of Managing-Editor of the *North-China Star*, the American newspaper in Tientsin. Mr. Guptill at various times has been a contributor to the columns of *The Review*.

Who's Who in China

Barr Yu-tsao, M. Sc.

巴玉藻宇蘊華

Y. T. Barr, who used to be known abroad as Tsao Yu, was born in Chinkiang, Kiangsu in 1891. His early education was in the Naval College at Nanking, whence he was sent to England to study engineering by the Ministry of Navy in 1909. During the first couple of years in England he was a premium apprentice in Vickers Naval Construction Works at Barrow-in-Furness. In 1914 he graduated from Armstrong College, Durham University in mechanical engineering with the degree of B. Sc. He then returned to Vickers for work in their designing office where he specialized on steam turbines. In 1915 he was ordered by the Ministry of Navy to America for aeronautical training. On arriving there he immediately took up flying training in Curtiss Flying School at Buffalo, New York and upon completing the course he entered Massachussetts Institute of Technology and passed the post-graduate course of aeronautical engineering with the degree of M.Sc. in the summer of 1919 when he was engaged by the Curtiss Aeroplane and Motor Co. of Buffalo, New York as aeronautical engineer. Later on he went to Detroit and joined the General Aeroplane Co. as designer. He returned to China at the end of 1917 and soon afterwards was sent, as chairman of a committee of four, to Foochow by the Ministry of Navy to organize the Naval Air Establishment and at the same time to institute and instruct a course of aeronautical engineering in the College of Naval Construction. Besides executive and other duties, he was, together with Captain T. Wong, responsible for all the aircraft designed and constructed from the establishment of the N. A. E. to the present day. In August, 1928 he was appointed representative of the Chinese government to the International Aeronautical Exhibition in Berlin. After its close he visited for six months all the important government and civil aeronautical institutions and factories, etc, in Germany, France, Belgium and England and thus was afforded a unique opportunity for studying European aeronautical conditions. Shortly after he went to Europe last year, the N. A. E. was re-organized and he was appointed Director with the rank of Captain. Captain Barr is a member of the Science Society of China, the Chinese Society of Naval Engineers and the Society of Automotive Engineers, New York.

Funeral Services for Mr. H.V.A. MacMurray

Funeral service for Mrs. Henrietta Van Antwerp MacMurray, mother of J. V. A. MacMurray, U. S. Minister to China, were held in Washington, June 17. Mrs. MacMurray, who was 81 years old, died suddenly of heart disease.

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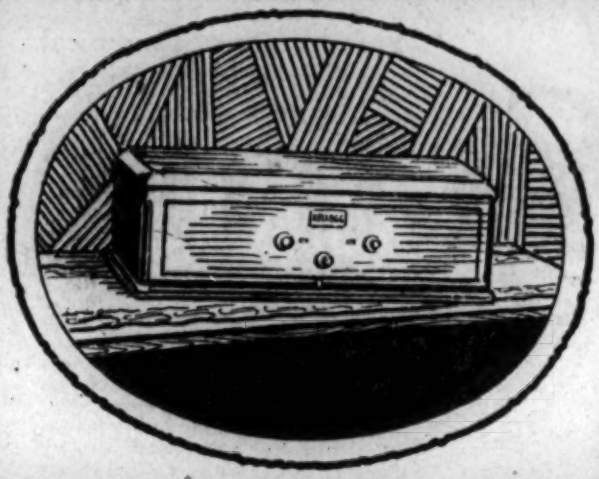

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SHANGHAI.

Mr. Chen'Wen-ling
陳文麟

Mr. Chen Wen-ling was born in Amoy, Fukien province and received his early education at the Ming Li School at Kulangyu, following which he enrolled as a student at the Anglo-Chinese College. At the age of sixteen he joined the Great Northern Cable Company where he was employed for six years. He went to Germany for military education in 1922. He returned to China in 1925 and during the agitations following the May 30 incidents of that year he served as commander of the student army at Amoy. Having interest in aviation he was sent to Germany by Gen. Ling Ku-keng, Garrison Commander of Amoy, as student at the Baumer Aero Academy, Germany After completing the course he returned to China in 1928 and assisted in the organization of the Aviation Bureau at Amoy. Later in 1928 he was sent to England with a commission to purchase several planes for the use of the Chinese military establishement, one of which was the "Amoy" which he brought back to China by air, having made the entire distance of about 15,000 miles, being the first Chinese to complete the flight from Europe to China.

P. I. Lumber for Railways

An order for 2,100,000 board feet of Philippine lumber, to be used for sleepers for railroad and bridge construction, has been placed by the National Government of China with four of the leading lumber concerns of the Philippine Islands, according to an account published in the *Manila Bulletin* on June 8.

W.W.Harris, manager of the Negros Philippine Lumber Company, stated that this is the largest single order ever filled by the island industry. It was at first placed with one of the large Chinese lumber firms in the Philippines, but since it is impossible for any one company to fill such an enormous order in the time specified, three others were given a share of the work. The mills of all four of these firms have been working at full capacity for some time past in order to prepare the first part of the shipment for the transportation of which a Norwegian tramp steamer has been chartered. This first shipment will consist of approximately 35,000 railroad ties and a large number of bridge sleepers.

In view of China's extensive railroad and general building program, insular lumber dealers believe that the Chinese demand for Philippine lumber will last indefinitely.

AN APPRAISAL OF AMERICAN DIPLOMACY TOWARD CHINA

(*Continued from page 150*)

most widespread and continuous political and military disturbances of any year since the founding of the republic.

Coal production in China increased, between 1914 and 1924, from 15,000,000 to 25,000,000 tons, or 60 per cent. The export of coal doubled in five years. Shipping engaged in foreign trade increased, 1913 to 1924, 66 per cent; the Chinese share in it, from 21 to 23 per cent. The mileage of Chinese government-owned railroads increased, 1916 to 1923, 24 per cent. Chinese investment in these railroads was increased by $102,500,000.

In 1910, before the establishment of the republic, the total paid-up capital of modern Chinese banks was $8,000,000. In 1920, ten years later, their paid-up capital had increased to $66,000,000. By the end of 1925 it was $83,000,000—increases of 731 per cent during the ten-year period, 1910-1920; 940 per cent during the fifteen-year period, 1910-1925; and 46 per cent during the five-year period, 1920-1925.

What can China buy from the United States with these resources? Her demands are many, including automobiles, cigarettes, coal, cotton, dyes, flour, fruit, ginseng, hats, iron and steel and their products, petroleum products, lumber, machinery, electrical equipment, medicines, paper railway material and supplies, rice and paddy, soap, soda ash, sugar, leaf tobacco, wheat, and a variety of other exports produced by virtually every state in the building program, rehabilitation of lines of communication, and development of electrical plants that have been closed for lack of raw materials and workmen—as reported in recent statements by the Department of Commerce—not only promise increased demands for many of these products but indicate the progress now under way.

New Transportation Route

Naturally the greater part of our shipments to China leave from the West Coast. An interesting and significant method of inland waterway transportation, however, now offers economical transportation to the Orient from easterly industrial centers. Pittsburgh is shipping heavy steel products by barge down the Ohio and Mississippi rivers to New Orleans, where they are transferred to vessels that bear them through the Panama Canal to Chinese or other Pacific ports. The building program at Shanghai, including an ambitious United States government structure, will undoubtedly increase the demand for American building products.

The Foreign Service Buildings Commission, of which I am chairman, intends on the return of its architect from China to let the contract for the construction of the United States government building, to cost approximately $750,000, on a site now owned by our government on the Bund in Shanghai, and also contracts for the construction of consulates in Amoy and Mukden. This summer it is my intention to visit China for the purpose of selecting sites for the construction of suitable buildings in the eleven other important Chinese cities where the United States has consulates.

As evidence of the clear intention of the United States to relinquish extraterritorial rights in China, the new building in Shanghai makes no provision for our Extraterritorial Court, which will be housed in purely temporary quarters.

Since the days of Marco Polo, western eyes have turned toward the Orient in search of wealth. Early in our own economic history Yankee skippers sought the Gold of Ophir in the China trade, and today the same opportunity awaits the alert exporter.

Fortunately for the United States—and for China—we have done much to correct any impression that the United States has been willing to assist only passively when China has been threatened by foreign powers seeking to bully or even dismember her or to establish under alien rule that which was tortured out of her fears. American friendship for China and the American policy of China for the Chinese have long been something more substantial than mere tradition.

We who are on the Foreign Affairs Committee believe the United States has demonstrated to the Chinese in recent years, not only that it desires to maintain friendly relations upon a well-grounded basis of mutual cooperation and helpfulness but that its friendship is no silken gauntlet concealing a mailed fist.

From a purely practical standpoint it will pay the United States to remain China's friend and ally. In terms of commerce and business alone, this will be well worth while. China, properly encouraged in its new and rapid development, can become a veritable El Dorado for American industry and manufactures, for American finance, and for American agriculture.

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Copies of the Report of the International Commission which investigated the Practice of Extraterritoriality in China may be obtained by addressing The China Weekly Review, enclosing the sum of $1,00 to cover cost and postage.

The Report contains four sections as follows:

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Part III.—Administration of Justice in China.

Part IV.—Recommendations.

In addition there is an appendix containing the Declaration of the President of China to reform the laws and administration of justice; a summary of clauses from the treaties containing the Extraterritorial provisions; a list of modern Chinese courts and prisons and a report of the Committee which toured North and Central China investigating conditions.

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THE CHINA WEEKLY REVIEW

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Men and Events

The seventeenth annual commencement of Shanghai College will be held on the afternoon of Saturday, June 22.

James Hoeck, formerly a member of the staff of *The China Press* at Shanghai is now connected with the *Cincinnatti Commercial Tribune*, Cincinnatti, Ohio.

Dr. F. Wagner, German Consul-General in Nanking, has been transferred to Canton and, it is understood, he will leave for the south at the end of this month to assume his new duties.

The Ministry of Railways has sent a force of engineers of engineers to Hankow for the purpose of making surveys for the construction of bridges connecting Hankow, Hanyang and Wuchang.

Dwight F. Davis, former U. S. Secretary of War, who recently was appointed Governor-General of the Philippines by President Hoover, sailed for his new post on the President Taft from Seattle on June 15.

Chester Fritz, member of the firm of Swan, Culbertson and Fritz, brokers, was married on June 18 to Miss Bernardine Szold of New York, the marriage taking place at the American Consulate in Harbin.

Mr. and Mrs. P. M. Anderson have returned to Shanghai from Tientsin where they have been stationed for several months. Mr. Anderson is connecred with the West Coast Life Insurance Company at Shanghai.

Mr. C. L. G. Wayne, formerly Traffic Manager of the Shanghai-Hangchow-Ningpo Railway and the Shanghai-Nanking Railway left on June 17th for London, after which he may go to the Argentine to visit his son.

The Commanding Officer and staff of the Fourth Regiment, U. S. Marine Corps, stationed at Shanghai, will hold a smoker at the barracks located at Avenue Foch and Moulmein Road on the evening of June 22 at 8:15 o'clock.

Eugene E. Barnett of the National Committee, Y. M. C. A. is departing shortly on vacation to the United States. Mr. Barnett will be accompanied by Mrs. Barnett and their children and they will make the trip by way of the Trans-Siberian Railway and Europe.

The Chinese aviator, Chen Wen-ling, who recently completed a flight from England to China, is still at Amoy and has notified the Government of his inability to proceed to Nanking due to the necessity of overhauling his plane. Mr. Chen also said that his health is not good.

Father James Drought, formerly a Catholic missionary in South China and recently in charge of three university dormitory halls in Manila, sailed from there for Shanghai on June 18. From Shanghai he will proceed to New York. Father Drought is a member of the Maryknoll order.

The "Shun Pao" reports that Sir Miles Lampson will arrive in Shanghai on June 20 for the purpose of putting the finishing touches to the agreement for the rendition of Weihaiwei, a satisfactory understanding on this question having been reached between the British Minister and Dr. C. T. Wang.

Lieut. Col. F. D. Kilgore, of the U. S. Marine Corps, probably will be, relieved in September. Other officers of the regiment who arrived here at the same time as Col. Kilgore may precede him back to the United States a month earlier, while Col. Kilgore awaits the officer who will take over his command.

The Bureau of Social Affairs of the City Government of Greater Shanghai has compiled and published the following three reports: Annual Report on Labor Strikes in Greater Shanghai, Report on Industrial Disputes in Greater Shanghai, The Index Numbers of the Factory Laborers in Greater Shanghai.

John D. Rockefeller, Jr., according to a *United Press* message printed in Shanghai on June 17, has donated the sum of G.$400,000 to the Northern Baptist Convention, the sum being contributed "without any strings attached." It is understood the money will be devoted to foreign missionary activities.

An inspection of all Chinese troops stationed in the Shanghai-Woosung district was held at the Hungjao Airdome on June 17 by Gen. Hsiung Hsi-hui, the inspection being made in anticipation of a general trip of inspection which is to be made by Gen. Chiang Kai-shek before the end of the present month.

Dr. R. A. Belilios, one of the best known eye specialists in the Far East, died at the General Hospital in Shanghai on Wednesday, June 19, his death following an operation for appendicitis. Dr. Belilios was born in Calcutta, India, and was a graduate of Edinburgh University. He is survived by Mrs. Belilios who is now in England.

The headquarters of the Presbyterian Missions in China has been notified of the death on May 14 of Rev. W. O. Elterich, Ph.D., of Chefoo. Dr. Elterich was 64 years old and had been in the service of the Presbyterian Mission since 1889. He is survived by his wife and daughter, Helen, who are now in Chefoo, and three sons who are in the United States.

Eleven well-known American newspaper correspondents, who are touring the Orient under the auspices of the Carnegie Foundation and the Japanese Government, arrived in Kirin on June 16. After a two weeks tour of Manchuria and North China, they are expected to arrive in Shanghai about July 4. The party spent several weeks touring Japan and Korea.

The Matson Steamship interests at San Francisco, have announced a new freight service to the Philippine Islands, all the ships being refrigerator ships previously in service between the West Coast and Hawaii. Three ships, the Maliko, Maunawili and Maunalei, will be placed in the service and the scheduled time for the direct trip from San Francisco to Manila is placed at 25 days.

W. B. Christian, departmental manager of the British-American Tobacco Co., left Tientsin on June 10 for the United States by way of Siberia. In Berlin, Mr. Christian will be joined by his wife, who has been living in Paris for the past two years, and his son who has been in school in Switzerland. The Tientsin offices of the B. A. T. are at present in charge of F. A. Perry, formerly of Hongkong.

A party of Soviet Russians have announced an airplane flight next August from Moscow, by way of Irkutsk and Nicholaivsk, Aleutian Islands and Alaska to the United States. According to a report appearing in one of the Moscow newspapers the first stop in the United States will be at Seattle, from which place flights will be made to Chicago and thence to Washington and New York.

Two trade conventions are to be held in the United States in 1930. One, the Coast Foreign Trade Convention, will be held in Seattle May 19-21, and the other, the National Foreign Trade Convention, will be held in Los Angeles probably September 17-19. Both conventions will stress matters concerned with the trade of the Far East. Particulars will be available at the offices of the American Trade Commissioner in Shanghai.

Some 200 guests attended a fareweli dinner at the Foreign Y. M. C. A. on the evening of Tuesday, June 18 in honor of Mr. and Mrs. George A. Fitch who are departing for the United States on vacation. Mr. Fitch is general secretary of the Foreign Y. M. C. A. and was largely responsible for the construction of the new building here. He has been connected with the Y. M. C. A. in China for about 20 years. H. H. Arnold, Chairman of the organization presided at the dinner.

The handsome residence property of A. T. Heuckendorff, located at No. 1415 Avenue Joffre in the French Concession, Shanghai, was sold on June 18 for Tls. 140,000. The property consisted of an English-type residence and some 13 mow of land. Mr. Heuckendorff is an official of the British-American Tobacco Company.

A *United Press* message from Cartegena, Colombia, South America, which was published in Shanghai this week stated that a serious fight developed between Colombian customs officials and Chinese members of crew of the Panama-Pacific liner Salvator on June 17, the crew apparently being accused of smuggling cigarettes. Nine members of the crew were arrested and lodged in jail.

Frederick A. Delano, who was born of American parents in Hongkong, in 1863, has been elected president of "The Stable Money Association," an organization in the United States which was formed for the purpose of stabilizing the purchasing power of money. Mr. Delano is a graduate of Harvard and for several years was president of the Wabash Railway, and is now deputy chairman of the Federal Reserve Bank of Richmond, Va.

A report which appeared in the Chinese newspapers in Shanghai last week, and was referred to in the editorial columns of *The Review* on June 15, to the effect that large quantities of pearls and other treasures belonging to the Manchu Imperial family had been found stored in the vaults of the Kingcheng and Yien Nieh banks in Peiping, was incorrect. The *Shun Pao* stated that the report originated in the *Shih Kai-Wan Pao* in Peiping, but was later found to be incorrect.

The Japanese Cotton Mill Owners' Association at Shanghai has sent a telegram to Tokyo urging the Japanese Government to oppose the abolition of extraterritoriality and also to prevent China from taking any action that would prevent the navigation of China's inland waterways by Japanese steamship companies. The telegram also urged the Tokyo Government to insist upon preferential treatment for Japanese products in connection with the Chinese tariff.

The Amalgamated Association of Street Unions has sent a cable of congratulation to Ramsay MacDonald, new British Prime Minister, in which they have asked him to bring about the abolition of British consular jurisdiction in China; to cancel alleged unequal treaties; to withdraw all British soldiers from China; to draw up a new Anglo-Chinese Treaty on a basis of equality and mutual benefit; and to bring about an immediate settlement of the May 30 incident of 1925.

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Japanese News Reports on Chinese Situation

The following news reports are summaries of news messages dealing with the Chinese political situation and Japanese activities in China which are distributed to the Chinese and foreign press in China by the Japanese semi-official Toho News Service.

Peiping, Jnue 13.—Ma Ting-jang, leader of the Mohammedan troops, has officially assumed the post of Commander-in-Chief of the 15th Route Army Corps.

Peiping, June 13.—Part of Feng's troops are reported to have been left behind near the western border of Honan to check the westward advance of the Central troops.

Nanking, June 14.—Feng Shui-yin and Hsi I-chih, subordinates of Feng Yu-hsiang, have indicated their willingness to submit to the Central Government.

Peiping, June 15.—According to the Chinese press, Feng has decided to send his wife to Yuncheng on the 16th to interview Mrs. Yen Shi-shan.

Nanking, June 15.—All documents bearing on the raid on the Soviet Consulate in Harbin have been brought here.

Peiping, June 15.—T. Inukai, veteran Japanese statesman and father-in-law of K. Yoshizawa, has arrived here.

Peiping, June 16.—Representatives of Feng Yu-hsiang and Yen Shi-shan have arrived at Tyuan and conferred with Yen.

Hongkong, June 16.—Dry weather continues here and the supply of water stored in the reservoir has diminished to 180,000,000 gallons.

Mukden. June 16.—At the military conference of the Three Eastern Provinces yesterday, it was decided that Yu Hsueh-chung's troops and part of those stationed in Jehol should be despatched to Tientsin for garrison duties.

Peiping, June 17.—Ho Cheng-chun, Tang Shen-chi and Liu Chen-hua, who have returned here from Taiyuanfu, conferred yesterday with Shan Chen and Chang Yin-wu.

Peiping, June 18.—At the recent conference of military leaders of the Three Eastern Provinces, it was decided to comply with any request of the Central Government for military funds and arms.

Tokyo, June 18.—Wang Yung-pao, Chinese Minister to Japan arrived in Nagasaki yesterday and granted an interview to press representatives.

Provisional Court Question To Be Settled Shortly

Wei Tao-ming, acting-president of the Judicial Yuan, on June 18, according to a report in the *Sin Wan Pao* stated that the program for restoring the Shanghai Provisional Court to the control of the National Government had been drafted. Mr. Wei also stated that since the Ministry of Foreign Affairs is now discussing the question of abolition of extraterritoriality, that the question of the Provisional Court could be easily dealt with. The official notification of the Kiangsu Provincial Government, referring to the nullification of the Court rendition agreement, will be filed with the Shanghai Consular Body on June 30 and it was stated that a satisfactory arrangement of the question would be obtained before the end of the year.

In reference to other questions pertaining to the International Settlement, the *Sin Wan Pao*, also on June 19 stated that a conference had been held between the Commissioner of Foreign Affairs, Hsu Mo, and the American, British, Dutch and Japanese Consuls in which the Shanghai road problem was discussed, but that no decision had been reached. The Senior Consul, Mr. Cunningham, was quoted as stating that the land occupied by the new roads running into Chinese territory outside of the Settlement had been purchased by the Municipal Council in accordance with the Land Regulations. The Chinese Commissioner had replied that the Land Regulations were "unequal and inadequate to meet present conditions," and that the police power over the new roads belonged to the Chinese authorities. This right, in Mr. Hsu's opinion, could not be abrogated.

21 Universities Registered

Up to June 13, 12 provincial universities and nine private universities in China were registered with the Educational Ministry. Among the provincial ones are the Northeastern (at Mukden), the Chengtu, the Szechuen, Hunan, Anhwei, Shansi, Sianfu Chungshan, Lanchowfu Chungshan, Kaifeng Chungshan, Kweichow, Canton and Kwangsi Universities.

From the Chinese Press

News items pertaining to Chinese politics and general affairs appearing under this heading, are taken chiefly from the daily reports of the Kuo Wen (independent) Kuo Min (Nanking official), Ta Chung (Kuominchun) and from translations of articles and dispatches appearing in the local Chinese press.

Wednesday, June 12.—The order for the arrest of Chin Yun-ao, former subordinate of Feng Yu-hsiang, has been rescinded by the State Council.—Chiang Kai-shek will summon a meeting of the Presidents of the Five Yuan and the Ministers of the various Ministries for June 14.—Chow Hsi-chen has been dismissed from his substantive and concurrent posts as Chairman of the Kweichow Government.—The troops of Feng Yu-hsiang which had advanced to the Suiyuan-Ninghsia border have been withdrawn.—Chuanchow in southern Fukien has been occupied by the land forces of the Naval Headquarters under Lin Shao-kuo.—Troops under Sun Liang-chen and Pang Ping-hsun have entrenched themselves at Yehshih.—A mass education movement is being launched in Fukien.—Survey of the Chien Tang River has been completed and conservancy work will be started next month.—The first session of the Second General meeting of the Third Central Executive Committee was held yesterday at the auditorium of the Central Party Headquarters.—Yen Hsi-shan has again requested Feng Yu-hsiang to go abroad with him.—Shih Yi-chi has made himself acting chairman of the Honan Provincial Council.—Liu Wen-hui, chairman of the Szechuen Provincial Council, has again sent in his resignation.—Chang Hsueh-liang has decided to send Yu Hsueh-chung to Luanho district with a large Fengtien army.—Chang Ching-wei, representing Chinese merchants in the Conference of the International Chamber of Commerce, has arrived in Paris.

Thursday, June 13.—A portion of the retreating rebel troops under Lu Huan-yen stationed in Kweihsien has surrendered to the Government Forces.—The 10th Division under Fong Ting-ying is being transferred from Wuchang to Pengpu to replace the forces under Fong Chen-wu which are being sent to Honan.—The duration of the period of Political Tutelage has been set at six years.—Preparations for the reorganization of the Kwangsi Provincial Government are in progress under Yu Tso-peh.—Meng Shao-chun and Liu Hsi-jen, of the Ministry of Education, have been dismissed from their positions for negligence in observing the ceremonial rites on the occasion of the State Burial of Sun Yat-sen.—Sir Miles Lampson, British Minister to China, has left Hankow for Changsha.—Transportation of soldiers on foreign vessels has been prohibited by the Commander-in-Chief's Headquarters.—Pro-Kwangsi troops are reported to have evacuated the Swatow-Chaochow region and withdrawn to Tapu.—The vanguards of Han Fu-chu's army occupied Loyang on the 11th inst.—Chang Hui-chang, Cantonese aviator, is expected to arrive in Nanking the end of June.—The Soviet authorities have increased their military forces to the extent of 15,000 in Manchuli.—Chiang Kai-shek will start on June 19 on an inspection trip to Hupeh and Anhwei.—Li Fong, Commissioner of Foreign Affairs for Hupeh, will today make a final call on the Japanese Consul for a settlement regarding the killing of a Chinese coolie by a Japanese marine last November.

Friday, June 14.—The Headquarters of the Naval Reorganization Committee is winding up its affairs preparatory to abolition.—Chiang Kai-shek will make a tour of inspection to Hsuchow, Shanghai and Wuhu.—C. C. Wu, Chinese Minister to Washington, has informed the Ministry of Foreign Affairs of the forthcoming visit of the American Red Cross delegation to the famine areas of China.—A street cleaning campaign for Nanking has been ordered by Chiang Kai-shek.—Woosung River is to be further dredged by the Special Municipal Government of Shanghai.—The size of the army being mobilized for the advance into Shensi and Kansu is reported at 300,000.—The annual revenue in taxes from Kwangtung for the Central Government is estimated at $20,000,000.—A memorial service was held at the hall of the Young Men's Lecture Group in Nantao in honor of Chang Hsueh-liang, hot water shop proprietor who died from injuries sustained in a fight with British soldiers on May 10.

Saturday, June 15.—Hsu Tsu-hsiang has been appointed Managing Director of the Lung-Hai Railway.—Han Fu-chu has recommended appointments to the Honan Government Committee.—Four divisions of the 5th Route Army are advancing from Yenchow in Shantung to Kaifeng.—A resurvey of China is to be instituted under the auspices of the General Staff.—Fan Shih-sen of the Kwangtung Expeditionary Forces is reported to have captured Pingnam, a city east of Sunchow.—Provincial Forces are reported to have

occupied Chao-an and Swatow.—The Ministries of Public Health and of Education are making preparations for the opening of a Summer Public Instruction Institute.—T. V. Soong will recommend to the State Council the re-opening of the Canton Mint.—Chang Ching-kiang, Chairman of the National Reconstruction Committee, urges immediate starting of conservancy work on waterways.—Monthly maintenance expenses of the Kwangtung Forces are to be reduced from $4,500,000 to $3,000,000.—American Railway advisors in Hankow are making surveys with the object of building three bridges across the river.—The Japanese Consul-General at Shanghai will entertain local journalists.—In Sian flour is quoted at $14 a bale.

Sunday and Monday, June 16 and 17.—Chang Chun, mayor of Shanghai, has appointed a Municipal Reconstruction Committee.—Tang Pang-chi, chief-of-staff to Shih Yiu-san, has arrived in Nanking.—Li Yoh-yao, of the Ministry of Agriculture and Mines, has been appointed China's delegate to the International Geological Conference to be held in England.—A Department of Armored Trains of the Commander-in Chief's Headquarters is to be organized.—Part of the 5th Route Army until recently stationed at Mamutsi has arrived on the Lung-Hai Railway.—The question of Sino-Russian ralations is under consideration by the Foreign Relations Committee.—New political and Party administration measures of Manchuria, Mongolia and Tibet are to be promulgated by the Central Executive Committee and the State Council.—Shen Mo-tseng and Chen Tih-yung have been appointed technical experts to the Ministry of Communications.—Two infantry corps of the Kuominchun remain in Loyang.—Chao Pei-lien, representative of Yen Hsi-shan, is leaving Nanking for Taiyuan.—A meeting of members of the Soldier-Labor Department of the Ministry of War has been held to devise measures for the employment of soldiers.—Kwan Shu-jen has been appointed resident representative of Han Fu-chu at Nanking.—The State Council has issued orders against the issuance of passports to anyone except bona fide business men.—Two divisions of the 11th Route Army have been transferred from central Hopei to Changte, northern Honan.—Chiang Kwang-ting, commander of the campaign against the Kwangsi units in eastern Kwantung, has arrived in Swatow.—Li Ming-sui of the Central Disbandment Committee for Kwangsi, reports that five battalions of Kwangsi soldiers have surrendered to the Government forces.—The income of the Hopei Government amounts to $1,300,000 and the expenditures to $2,300,000.—Three regiments of the Third Brigade Heilungkiang Army have been ordered to the Sino-Russian boundary.

Tuesday, June 18.—Disbanded troops of the Hupeh Forces are being repatriated by the Disbandment Office at Hankow and Wuchang.—Kao Chi-ao, representative of Chang Hsueh-liang, has arrived in Nanking to participate in the deliberations relative to Sino-Russian relations and the raid on the Soviet consulate in Harbin.—Sixteen prominent Kuomintang members, proved guilty of plotting with the Kwangsi Clique against the government, have been expelled from the Party.—Under the new mining law, owners of legally acquired mines will be permitted to continue operations under government supervision.—The Auditing Council is preparing to open auditing bureaus in the various provinces and special municipalities.—Mme. Liao Chung-kai is shortly to leave on a trip around the world to investigate the status of women in Europe and America.—Affairs pertaining to the Government's administration of radio service are to be controlled by the Ministry of Communications.—The system of University districts is to be abolished.—A complete change of garrison forces in Honan is to be effected.—A battle near Sunchow between the allied Kwangtung and Hunan Forces and the Kwangsi troops is reported.—Kwangsi troops under Hsu Ching-tang are reported to be heading for southern Fukien from Tapu.—The first meeting of the Sino-Belgian Commission for the retrocession of the Belgian Concession in Tientsin was held yesterday in Tientsin.—Chiang Kai-shek will take command of the south route in the expedition against Feng Yu-hsiang.—In Manchuria 3,000,000 mows have been cultivated for the production of soya beans.—The office of Director-General of the Lunghai Railway has been taken over by the Ministry of Railway.—The State Council has ordered the arrest of Wang Chuk-tong and Ma Ching-chi, editor-in-chief and general manager of the *Tai Wan Pao*, or *Great Evening News* in Canada.—The strikers union in Hankow remains active against the Japanese.—Rice in southern Shensi is quoted at $48 a picul.

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No. 5

List of China's Foreign Advisers

(The following is a portion of an article dealing with the appointment of foreign advisers by the National Government, which appeared recently in one of the New York newspapers under a Washington date-line.)

Chinese appointments of experts have not been confined to Americans, as other distinguished nationals have been appointed, as the late Colonel Bauer, a former German army officer, as official adviser on industrial affairs; and Sir Frederic Whyte, an Englishman who was first speaker of the Indian assembly, has been proposed as general adviser to the government.

Big American List

But engagement of American experts makes an imposing list, as follows:

Dr. Edwin W. Kemmerer, of Princeton University, world prominent financial expert, now engaged with a staff of 16 experts in studying the Chinese fiscal system, with a view to currency reform and reorganization of the accounting system;

Dr. Arthur N. Young, expert on public credit and former economic adviser to the state Department;

Dr. Benjamin B. Wallace, tariff specialist;

Dr. Frederick A. Cleveland, skilled in taxation question;

Dr. Cliver C. Lockart, authority on budgets;

Dr. William B. Poland, expert in railway finance;

Henry William Murphy, New York architect, now drafting plans for rebuilding of Nanking and improvement of port facilities;

Ernest P. Goodrich, New York consulting engineer, to study the deepening of the Pearl River and construction of a deepwater port at Canton to eliminate movement of cargo at Hongkong;

Dr. John A. L. Waddell, American consulting engineer, advising on bridge construction;

Clifford Hewitt, supervising completion of Shanghai mint;

George Shecklen, of San Francisco and A. B. Tyrell, of New York, radio advisers;

Robert Norman, formerly associate of Dr. Sun Yat-sen, now legal adviser to the Ministry of Railways;

Thomas F. Millard, political adviser to Nanking Government;

John J. Mantell, consulting engineer, Government Railways;

George Bronson Rea, financial agent in the United States.

Honorary Advisers

The Chinese government also has appointed an honorary advisory commission of Americans, whose duties do not require active presence in China. This commission consists of.

Dr. Jeremiah W. Jenks, political economist of New York University; Henry Ford, Owen D. Young, Prof. E. R. A. Seligman, economist at Columbia University, and Gen. James J. Harbord.

Charles E. Crane, formerly American Minister to China is another honorary adviser, expected soon to visit China.

Eight Indians Deported from Shanghai

Naurang Singh and Karm Singh, Sikhs who were acquited last week of the charge of murder, were rearrested on June 15 accused of having acted in a manner prejudicial to public safety. The case was heard on Thursday before H. M. Police Court, and resulted in sentences of one month's imprisonment with deportation at the expiration of their sentences for the two accused. The charges brought against the men were made in connection with speeches they were alleged to have made at the Gurdwara on different occasions last year. Registrar A. J. Martin, in imposing the setence, commented at length on the behavior of Sikhs in Shanghai and the nature of addresses delivered in their Gurdwara. Karm Singh, when asked whether he had questions to put to the witness, replied that since there was no hope of justice in the court, no question could be raised.

Five other Sikhs tried on last Saturday in H. M. Supreme Court before Judge King, charged with action subversive to law and order, and were ordered deported. The men are Indar Singh, Asa Singh, Narain Singh, Hakim Singh and Ishar Singh. A re-deportation order was also issued against Charan Singh.

Unauthorized Use of Name of Mission Press

Recently it came to the attention of the Presbyterian Mission Press that its name was being used by propagandists, printed on the wrappers of rolls of subversive printed matter, in order that the contents should escape confiscation in the Post Office. The Mission Press has no connection with said contents, which were widely mailed, being heard from in the Philippines, Java, Japan and elsewhere. Previously the names of other large firms in Shanghai have been used in like manner.

Assembly Plant for General Motors

Officials of the General Motors Corporation, who are now in Shanghai, have announced that their company is considering the establishment of an assembly plant, employing hundreds of persons, in this city. The recent amendment of the Customs tariff No. 714 whereby motor truck chassis imported into China will be dutiable at 12½% instead of 22½% has greatly increased the likelihood of the project's being carried out. As the duty on finished cars has always been 12½%, their assembly after importation was highly unprofitable when the rate on chassis was 10% higher.

General Motors, which is looking forward to an increase in business in the Orient, has taken over the old N. Y. K. property on Yangtze Road and has opened a Shanghai office there. D. B. Skinner, Far Eastern Advertising Manager for the company, James M. Brown, Manager of the Shanghai office, and J. M. Allison, local Advertising Manager, are now in Shanghai.

In connection with the assembly plant, the corporation proposes to establish its own automotive training school, where free training will be given to workers. The establishment of an assembly plant here should result in lower prices for cars manufactured by General Motors, according to Mr. Brown.

Settlement To Be Protected by Iron Gates

The International Settlement has begun construction of a large iron gate, with concrete posts, across North Szehuen Road at Range Road for protection against possible attacks by Chinese mobs or soldiers. According to report, this is to be the first of more than two dozen gates of similar construction which are to be built across important streets leading into Chinese territory from the Settlement. It was stated that this plan of defense was recommended by the British military authorities that these gates be constructed for use in case of trouble developing after the evacuation of the foreign defense forces. The authorities of the local French Concession constructed gates of this kind at the interesections of all streets leading into the Chinese city more than two years ago.

Conditions Worse in Famine Area

Grasshoppers are adding to the miseries of drought in certain of the famine districts, according to reports sent to the China International Famine Relief Commission by Dr. F. F. Tucker. The wheat yield averages two-tenths with none at all in large areas, Dr. Tucker states.

A contract for a $600,000 irrigation project in Suiyuan Province has just been signed by the C.I.F.R.C. and the provincial authorities. The plan provides for the irrigation of about 2,000,000 mu and will extend a distance of about 200 li. Fifteen thousand men from the famine area will be employed in the construction. The planting of poppies will be prohibited on the land irrigated by the system.

Satisfactory Year for Kelly and Walsh

The annual meeting of Kelly and Walsh, Ltd., was held on Tuesday, June 18 at the Nanking Road office of the Company. Shareholders representing 38,352 shares were present. The reports and accounts for the past year, which were discussed at the meeting, showed staisfactory results for the business. Profits from both the Singapore and Hongkong branches were reported. Trading results at Shanghai showed an improvement over the previous eleven months, revealing a response to the efforts of the company to secure business among the Chinese in Shanghai. A. W. Burkill and A. J. Waller were re-elected Directors of the company.

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Honor to Whom Honor is Due

(BY ALBERT M. CUPTILL in the *North-China Star* for June 13)

To the up-country missionary who had the courage to return to his post despite the unsettled condition of the country, in the face of Consular warnings and waivers of responsibility, and as things are at present, with the knowledge that he and his stand an excellent chance of being carried off to captivity or worse by one of the bandit gangs which are roaming the country with impunity, the world ought to take off its hat.

Following the general exodus of foreigners from the interior in 1927 the matter of returning to their posts was put squarely up to most of the mission workers in the China field. In certain intances, it is officially reported the home organizations, tired of having their China workers barried from post to pillar, their faith made a mockery by the very people for whom it had done the most and their properties either appropriated or destroyed by official and semi-official bodies operating under the aegis of the revolution, told their China workers that they might return if they considered it advisable but, in the event of their again being forced from their posts it would be for the last time.

To their everlasting credit and to the credit of the Chinese people in whose future they evidenced unbounded faith, the up-country workers almost unanimously decided to go back to their stations and give the people to whom they had dedicated their lives another chance. Their decision may have been open to question upon the basis of practicability in view of the almost certainty of their being subjected to further depradations and abuse, but from the standpoint of sheer courage and unselfish faith in a people whose capacity to appreciate Christian faith and living was being seriously questioned by the home societies, their action was above criticism.

The return of the missionaries and their families to danger posts throughout the territories being incorporated into the new government should have been a source of inspiration to the new officials, civil and military, whose protestations of high intentions were and still are being broadcasted to the world. But if the reports which come in from all quarters are to be given the credence their authorship deserves, it is to be feared that only too often is the missionary, back on his job and working only for the good of the people among whom he has elected to spend his life, officially regarded as a nuisance, to be endured if necessary, but to be gotten rid of if possible. The one encouraging factor in the situation appears to be the realization of the civil population, regardless of creed, that it made a big mistake in listening to the urgings of the false prophets who, two years ago, promised so much and gave so little. If this change of heart on the part of the up-country Chinese can be crystallized into something permanent, then the missionary's return to the interior will be vindicated, but unless the increasing list of kidnapping. mission burnings and murders is soon brought to an abrupt halt, it is to be feared that before the end of another year, many a poverty stricken community will be missing the kindly presence of the foreign missionary and his family.

U. S. Government Gift to Telegraph Co.

The sum of G.$6,600,000 was paid by the U. S. Navy to the Federal Telegraph Co. of California in 1918 for patents which it gave back three years later without any cash consideration, but with the understanding that a service across the Pacific would be inaugurated. These facts were brought out by Lieut.-Commander Harold Dodge of the U. S. Navy, in charge of the patents section of the Judge Advocate's office, in testimony given before the Interstate Commerce Committee on 5. The reason for the deal, Lieut-Commander Dodge testified, was that Edwin Denby, former Secretary of the Navy and Charles E. Hughes, former Secretry of State, wished to establish a communication service with China. He stated that the purpose of the 1918 contract was to prevent the control of the patents from going to foreign interests. The United States obtained 22 patent rights and also federal real and personal property at the time.

T. Y. Wang Lectures at Anvers

"Unified China and Her Problems" was the subject of a lecture delivered by T. Y. Wang of the Northeastern University of Mukden before the Comite Interuniversitaire Sino-Belge at Anvers, Belgium, on May 14.

Dr. Wang discussed the actual situation in China under the National Government. He compared the China of a century ago when the principles of Confucius were followed with the China of today which is taking on western ideas and usages. He described the railways, roads and modern improvements which have become a part of Chinese cities and concluded by saying that there should be a strong friendship between the Belgians and Chinese since both are peace-loving people.

Customs Notification No. 1155.

The public is hereby notified that instructions have heen received from the Inspector General of Customs to the effect that the classification of motor vehicles under Tariff No. 714 has been amended as follows and that duty is to be collected accordingly from the 7th June, 1929.

IMPORT TARIFF 1929 AMENDMENTS.

No.	Name of Article.	Unit.	Duty.
714	Vehicles, Motor:		
	(a) Complete Motor Passenger Vehicles (*i.e.*, Motor Chars-a-bancs, etc.) with seats for not less than 12 passengers, or Motor Trucks or Motor Lorries (*including Truck Chassis*) over 1 ton carrying capacity.	Value	12½%
	(b) Others (assembled or in parts) (including Motor-cycles, Motor-cars, Motor Passenger Vehicle Chassis, and all other Motor Vehicles not otherwise enumerated, and all parts, Tires, and other Accessories for any kind of Motor Vehicle).	„	22½%

W. R. Myers
Commissioner of Customs.

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Civil Aviation and Radio Put Under Communications Ministry

Considerable apprehension was felt in American commercial circles in Shanghai this week as the result of the adoption of a resolution by the Central Executive Committee of the Kuomintang at Nanking, ordering that all radio operations and civil aviation must be placed under the supervision of the Ministry of Communications. The interests affected were the Radio Corporation of America which recently negotiated a contract for the establishment of direct radio connection between China and the United States, said contract having been signed on the Chinese side by the National Reconstruction Commission; and the Curtiss-Robertson airplane interests which signed a contract with the Chinese National Aviation Commission for the development of commercial aviation and the installation of air-mail services throughout the country.

A Reproduction of the New Air-Mail Stamps

A *Reuter* report from Nanking on June 19 quoted Sun Fo, Minister of Railways, to the effect that the recent decision of the Central Executive Committee would not adversely affect the Curtiss-Robertson contract. In reference to the radio contract it was stated that the Administrative Yuan had been instructed to draft regulations as to how the Reconstruction Committee "will handle the radio administration through the Ministry of Communications."

In reference to reports which have appeared in the foreign newspapers in Shanghai that the Ministry of Communications was planning to establish an air-mail service in competition with the new service to be organized by the Curtiss-Robertson aviation interests, the *China Times* stated on June 19 that the service to be started by the Ministry of Communications would not conflict with the other service. One of the officials of the Post Office Department at Nanking in an interview in the Nanking *Chen Pao* stated that the new air-mail service would operate two air-mail-planes between Shanghai and Nanking daily, the Shanghai end to be at the Hunjao airdome and the Nanking terminal to be at the National Aviation field at the Hsi Hwa Men Gate. The Chinese Post Office is now engaged in printing new air-mail stamps of different denominations for use on mail between different points in China.

Of further interest in connection with the effect on the Curtiss-Robertson contract of the new order placing all civil aviation under the Ministry of Communications, was a statement by a member of Sun Fo's office which read as follows: "The decision of the Central Executive Committee regarding civil aviation, has no bearing on the Cutriss contracts which have been approved by the State Conncil. The contracts stand."

The Radio Situation

In connection with the status of the contract which was entered into several months ago by the Radio Corporation of America and the National Construction Commission, the following telegram from *The Peview's* correspondent in Nanking on June 19 is of considerable interest:

"The Ministry of Communications today petitioned the Executive Yuan to order the Construction Commission to cease all radio traffic until the radio stations controlled by the Construction Commission could be taken over by the Ministry of Communications. The cessation will not interfere with general radio traffic according to the Ministry's spokesman, who stated that the Ministry also has stations in the same localities within China. The Ministry of Communications announced that it will take over all stations already completed and will continue work on those still under construction as well as pay all debts incurred by the Construction Commission in the construction of various stations. The American contract with the Construction Commission will be continued and there is no foundation for reports that it might be discontinued, although there were rumors that the Ministry of Communications might ask for a revision of the traffic agreement entered into between the Construction Commission and the Radio Corporation of America.

Prof Corwin Praises Nanking Officials

Professor Edward S. Corwin, McCormick professor of international relations at Princeton University has just returned, with Mrs. McCormick, to the United States from China where he was visiting Carnegie professor of international relations at Yenching University, Tsing Hua University and Boxer Indemnity College, all in Peiping, during the last half year.

"I was impressed by the caliber of the men in governmental offices at Nanking, many of whom have studied in Occidental universities," Professor Corwin said. "These men know what is going on in other parts of the world, are awake to China's needs and have a wholesome regard for technical training I believe that no abler group could be gathered in China than that which is now conducting the government, although some of them entertain exaggerated ideas of the possibility of social reconstruction by political action."

Among the men who have been trained in Princeton and now are active in the new government are Clarence K. Young, recipient of a degree of Doctor of Philosophy in Politics in 1921, who is now head of the Intelligence and Publicity Department of the Foreign Office; Ping Tsang-chen, A. M. in Politics, 1924, in charge of English publicity for the Minister of Finance; Kuo Chengwu, Ph. D. in Politics, 1926, who is head of the vast wine and tobacco tax department of the Province of Hupei, and Y. L. Tong, A.M. in Politics, 1915, who is Vice-Minister of Foreign Affairs. James Y. C. Yen, another Princeton A.M. in Politics, was the originator of the "thousand character" idea and principal organizer of the mass education movement, through which millions of Chinese adults have been taught to read and write the "thousand characters" (actually 1,200) which it was discovered are the most frequently employed in popular writing.

Professor Corwin expressed the opinion that the salvation of China lies along economic and not political lines but that the government must prepare the way to reconstruction by providing good order.

North-China Daily News Publishes Pamphlet on its Troubles

The *North-China Daily News*, the official British newspaper in Shanghai, has just issued a pamphlet dealing with its recent troubles with the Chinese authorities which resulted in the National Government banning the paper from transmission through the mails for a period of two months. The pamphlet is entitled, "China's Attempt to Muzzle the Press," and in the introduction is found the following paragraph,

> "This pamphlet gives details of the illegal attacks on the liberty of the foreign press and its correspondents (illegal because action has never been taken in Court or elsewhere) and reprints independent press opinions on the autocratic action of Chinese despots in Nanking."

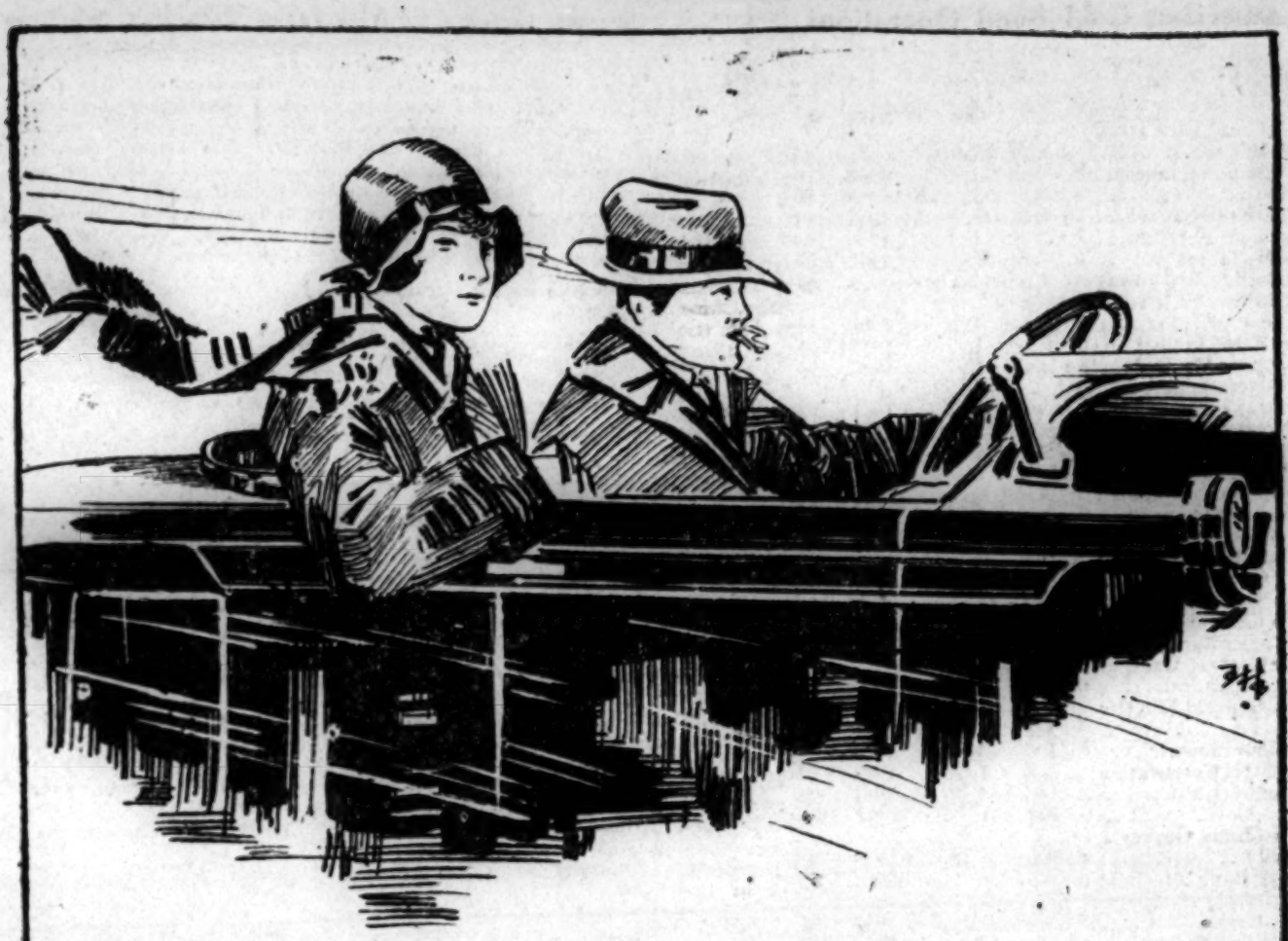
Most of the material in the pamphlet consists of editiorials reprinted from the *N. C. D. N.* pertaining to the postal ban and in addition there are a number of other editorials reprinted from newspapers in North China, particularly the "die-hard" *Peiping and Tientsin Times*, another British newspaper which has been a close second of the *N. C. D. N.* in opposition to the Chinese National Government and Chinese institutions generally. The pamphlet apparently has been issued for distribution abroad.

Trade Mark Regulations

In the issue of *The Review* for June 8, it was stated that trademark certificates issued by the former Peking Trade Mark Bureau prior to May, 1929 would, upon the completion of the proper procedure, be recognized as valid by the present Trade Mark Bureau. The date given should have been May, 1927. The regulations, issued in December, 1928, require all trade mark certificates issued by the Bureau of Trade Marks of Peking, prior to May 1, 1927 to be submitted for examination by the Bureau of Trade Marks, Nanking within six months of the date of promulgation of the order.

Christian Science Publication

"Christian Science versus Popular Religion" is the title of a book of essays by Charles Herman Lea recently published by Simpkin, Marshall, Hamilton, Kent & Co., Ltd., of London, The book includes essays on "Christian Science versus Popular Religion", "Prayer in Relation to Spiritual Law and Absolute Reality" and "Spiritual Regeneration as the Basis of World Reconstruction".



白金龍香烟

為上流社會之交際品

For a Delightful Smoke
We recommend

GOLDEN DRAGON
CIGARETTES
MILD and FRAGRANT

NANYANG BROS. TOBACCO CO., LTD.

NO:B151.

American Gold Bond Quotations

Name of Security	Coupon Rate %	Date of Maturity		Sale Price June 20	Approx. Yield to Maturity %
The National City Bank of New York		New Stock		385	—
Argentine Government	6	Oct.	1,	1960	99½	6.04
Australia	4½	May	1,	1956	86¾	5.44
U. S. of Brazil	6½	Oct.	15,	1957	91½	7.20
Kingdom of Belgium	7	Nov.	1,	1956	104⅞	6.61
City of Budapest	6	June	1,	1962	80⅜	7.63
Canadian Pacific Railway	4	Perpetual Stk.			83⅓	4.79
Chgo., Milw., St. Paul & Pacific Rwy.	5	Jan.	1,	2000	71½	7.02
Chicago Rapid Transit Co.	6	July	1,	1953	87	7.1½
Chile Copper Co. Debs.	5	Jan.	1,	1947	95	5.45
Chile Government (Railway)	6	Feb.	1,	1961	92½	6.56
Cuba Northern Railway	5½	June	1,	1942	83	7.58
Republic of Costa Rica	7½	Sep.	1,	1949	100½	7.45
Chile Government	6	Sep.	1,	1961	92½	6.56
Cuban Dominican Sugar	7½	Nov.	1,	1944	70	—
Kingdom of Denmark	6	Jan.	1,	1942	103¼	5.58
Dutch East Indies	5½	Nov.	1,	1955	102¼	5.30
Republic of Finland	5½	Feb.	1,	1958	88½	6.38
French Government	7	Dec.	1,	1949	108⅜	6.27
German Government	7	Oct.	15,	1949	106	6.47
German Central Bank for Agriculture	6	Oct.	15,	1960	84⅞	7.22
German Central Bank for Agriculture	6	Apr.	15,	1938	91	7.39
German General Electric Co.	6	May	1,	1948	92	6.75
Greek Government	6	Feb.	1,	1968	85½	7.13
Ilseder Steel Corporation	6	Aug.	1,	1948	85½	7.44
Kingdom of Italy	7	Dec.	1,	1951	96	7.37
Japanese Government	6½	Feb.	1,	1954	100½	6.46
State of Minas Geraes (Brazil)	6⅛	Mar.	1,	1958	92	7.16
Mortgage Bank of Chile	6	Apr.	30,	1961	92¼	6.54
Norwegian Hydro-Elec.-Nitro. Corp.	5½	Nov.	1,	1957	91	6.20
Kingdom of Norway	6	Oct.	15,	1952	102	5.84
Northern Ohio Power & Light Co.	6½	Jan.	1,	1941	99	6.62
Republic of Peru	6	Dec.	1,	1960	86	7.12
Paris, Lyons & Med. Rwy.	6	Aug.	15,	1958	100¼	5.98
Republic of Panama	5	May	15,	1963	93	5.45
State of Rio Grande Do Sul (Brazil)	6	June	1,	1968	87½	6.93
Rhine Westphalia Elec. Power Corp.	6	Aug.	1,	1953	92½	6.63
Saxon State Mortgage Inst	6½	Dec.	1,	1946	93½	7.16
Saxon Public Works, Inc.	6½	May	1,	1951	92	7.23
Tokyo Electric Light Co.	6	Jun.	15,	1953	89½	6.90
United Kingdom of Gr. Britain	5½	Feb.	1,	1937	102⅝	5.07
City of Vienna	6	Nov.	1,	1952	87	7.15
Abitibi Power & Paper Co.	6	Cum. Pfd. Stock.			83	7.23
Belgian Nat'l. Rwy. Pcptg. Pfd. Stock	6	(American Shrs)			83	7.23
Cannon Mills Co. (Dividend $2.80 p. a.)		Common Stock			38	Ex-div.
General Mills, Inc.	6	Cum. Pfd. Stock.			95½	6.28
General Mills, Inc. (Div. $3.00 per annum.)		Common Stock			72⅜	—
Hershey Chocolate Corp. Convertible	4	Pfd. Stock			91⅛	4.39
Mohawk Carpet Mills, Inc. (Div $2.50 p.a.)		Common Stock			66⅛	—
Pennsylvaina-Dixie Cement Corp	7	Cum. Pfd. Stock.			Mutilated	
Willys Overland Co.	7	Cum. Pfd. Stock			99	7.07
General Motors Corp. (New)		Common Stock			75	—
Andes Copper Mining Co.		Common Stock			54	—
United States Steel Corp.		Common Stock			179¼	—
Standard Oil Co. of New Jersey		Common Stock			58	—
Standard Oil Co. of New York		Common Stock			39¾	—
Pennsylvania Railroad Company		Common Stock			79⅝	—
United Aircraft & Transport Corp. (p. v. $50)	6	Pfd. Stock			83½	3.59
United Aircraft & Transport Corp.		Common Stock			119	—

NOTE: The above quotations are received by Cable, and while believed to be correct, are not guaranteed.

Shanghai Exchange for Week Ending Wednesday, 19th, June 1929

Exchange:—The week opened with Bar Silver quotations at 24 7/16d. for spot and 24 7/16d. for forward delivery, and with slight variations of not more than ⅛d at a time closed to-day at 24¼d. and 24 9/16d. respectively. A strong tone developed in exchange on Saturday, the 15th inst. (after the reaction referred to in our last issue) when rates were quoted at 2/4 3/16d. for T/T on London, with Gold $58½. On Monday, however, the market relapsed into dullness and inactivity, with quotations rlightly lower, and no variations of importance in the Gold Bar. Yesterday, the 18th inst. quotations advanced all round on speculative Chinese sales and political rumours, Interbank business being reported, for T/T on London for June at 2/5d. This morning the market opened with an easier tone, became steadier, and closes uncertain, with no particular feature.

Our closing quotations are as follows: T/T on London 2/4 3/16d., New York 58¾, and Yen 75¼.

Our stocks of silver are reported as follows:—

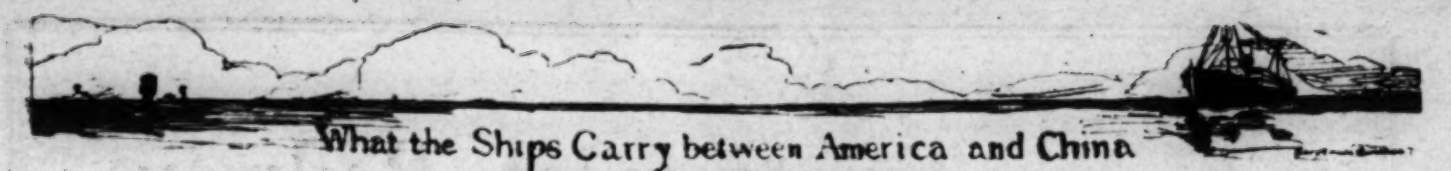
Sycee and Bar Silver .. .. .. Tls. 85,491,000 an increase of Tls. 713,000
Chinese and Mexican Dollars .. 126,840,000 an increase of $ 1,790,000

Estimated value Tls. 176,815,000 as against Tls. 98,810,000 held at this time last year.

	Average rates for May	Thursday June 13	Friday June 14	Saturday June 15	Monday June 17	Tuesday June 18	Wed., June 19
Bank's selling rates		opening closing	opening closing	opening closing	opening closing	opening closing	opening closing
T/T London	2/5.183	2/4¼	2/4¼	2/4⅜	2/4⅜	2/4¼	2/4¼
D/Dfts ,,	—	2/4 15/16	2/4 15/16	2/4 15/16	2/4 15/16	2/4 15/16	2/4 15/16
4 m/s ,,	—	2/4½	2/4½	2/4 13/16 2/4 7/8	2/4½	2/4½	2/4½
T/T India	162.712	158	158	159 3/8 158	158	158	158
T/T France		1460	1460	1470 1460	1460	1460	1460
T/T On N.Y. Demand	1,509.654	57	57	57 1/8 57	57	57	57
T/T Hamburg R. M.	58.962	57⅛	57⅛	57 5/8 57 1/8	57⅛	57⅛	57⅛
T/T H'kong	81.264	239½	239½	241½ 239½	239½	239¼	239¼
T/T Japan		82½	82⅞	82¼ 82¾	82¼	83	82⅞
T/T Batavia	75.788	77⅛	77⅛	76 3/16 77	77	77	77¼
T/T Straits	146.875	142⅛	142⅛	143 142 1/8	142⅛	142	142
Bk's buying rates	95.567	98½	98½	97 1/16 98½	98½	98½	98½
4 m/s B/L. Cred. D/A							
4 m/s ,, D/P	2/7.077	2/6	2/6	2/6¾ 2/6	2/6	2/6	2/6
6 m/s ,, B/L Cred D/A	—	2/6⅛	2/6⅛	2/6 1/8 2/6 1/8	2/6⅛	2/6	2/6⅛
4 m/s B/F Cred D/A or D/P	2/7.389	2/6 5/16	2/6 5/16	2/6 5/16 2/6 25/32	2/6 5/16	2/6 5/16	2/6 5/16
4 m/s N.Y.Lc.	1,578.077	1540	1540	1550 1540	1540	1540	1540
4 m/s ,, Doc.	62.207	60	60	60½ 60	60	60	60
	—	60½	60½	61 60½	60½	60½	60½

†Based on Daily Official quotation, higher rate taken on rising Market, lower when falling	June 13	June 14	June 15	June 17	June 18	June 19
Bullion.						
*London Price of Bar Silver per oz. (English Standard 925 touch) Pence	24⅜	24 5/16	24 7/16	24⅜	24 7/16	24½
**New York Price of Bar Silver per oz. (Pure)	G.$.52¼	G.$.52⅝	G.$.53	G.$.52⅝	G.$.52¾	G.$.53
Shanghai Price of Gold Bars (weight Tls. 10 (Chauping) 978 touch)	Tls. 372.10	Tls. 369.10	Tls. 371.00	Tls. 370.50	Tls. 368.00	Tls. 370
Shanghai Silver Bars (weight Tls. 100 (C.) 999 touch)	110.00	110.00	110.00	110.00	110.00	110.00
Shanghai Mexican Dollars per $100	71.5125	71.5625	71.5875	71.6125	71.60	71.6625
Native Bank Rate of Interest (Call money)	1%	1%	2%	2½%	2%	2%
*Closing Price in London for Previous day						
**Closing Price in New York for Previous day ...						

Bank of England rate of discount	5½%	London Paris on	T/T 123.91
Bank of France rate of discount	3½%	New York on London	T/T 4.84 1/16
London open Market of Dis. 3 m/s	5 5/16%	Bombay on London	T/T 1/5 27/32
,, 4 ,,	5 3/16%	Hongkong on London	T/T 1/11 1/8
,, 6 ,,	5 7/16%	Kobe on London	T/T 1/9 3/4



What the Ships Carry between America and China

Return of the Shanghai Customs

Pls.—1 Picul or 133 1/3 pounds; Bls.—Bales; Pcs.—Pieces, Mille—thousands; Hk. Tls.—Haikwan Tls.; April Customs Rate Tls. 1.45 equal Gold $1

PRESIDENT HAYES,
May 13.
From U. S. of America.

Indigo Paste, Artificial:		
20 per cent. strength	Pls.	2,044
50 per cent strength	,,	325
Ink, Printing	,,	9
Leather, Calf, Coloured	,,	10
Leather, Cow, Patent	,,	16
Leather, Kid, Coloured	,,	1
Leather, Sole	,,	397
Leather, Unclassed	,,	8
Oranges, Fresh	,,	1,434
Paper, Bank-note	,,	152
Paper, Blotting	,,	16
Paper, Boxboard	,,	131
Paper, Coated	,,	29
Paper, Writing	,,	20
Sulpher Black	,,	313
Ultramarine Blue	,,	4
Wood, Lignum-vitae	,,	76
Coffee	Catties	360
Milk, Malted	Doz.	195
Canned Sardines	,,	200
Silk Stockings	,,	101
Artificial Silk and Cotton Stockings	,,	30
Infants' Foods	Hk.Tls.	3,825
Treasure:		
Silver Bars	,,	344,136
Dyes, Aniline Pkgs.	353 ,,	25,723
Motor-cars, Part of	,,	10,375
Machinery	,,	39,795

PRESIDENT HAYES.
May 14.
To U S. of America.

Antimony Regulus	Pls.	2,100
Antimony Crude	,,	1,260
Bristles	,,	397
Egg Yolk, Frozen	,,	1,827
Feathers, Duck	,,	53
Feathers, Goose	,,	58
Nutgalls	,,	168
Hides, Buffalo	,,	148
Wool, Sheep's	,,	201
Skins, Goat, Untanned	,,	2,616
Skins, Doe Untanned	Pcs.	10,000
Carpets	Hk.Tls	1,299

PRESIDENT TAFT,
May 17.
To U. S. of America.

Silk, Raw, Steam Filature, White, Shanghai	Bls. 125 Pls.	123,27
Silk, Waste, Refuse, other Ports	Bls. 28 ,,	100,24
Silk Pongees, Honan	,,	10,65
Tea, Black, other kinds, Hankow	,,	15
Egg Yolk, Dried	,,	833
Egg Yolk, Frozen	,,	76
Egg Albumen, Dried	,,	290
Egg Whole Egg, Frozen	,,	192
Bristles	,,	118
Feathers, Duck	,,	141
Brassware	,,	23
Hair, Human	,,	129
Oil, Wood	,,	8,831
Wool, Sheep's	,,	608
Skins, Goat, Untanned	,,	113
Skins, Hare, Untanned	Pcs.	114,392
Skins, Lamb, Untanned	,,	6,500
Skins, Sheep, Untanned	,,	2,050
Skins, Weasel, Untanned	,,	12,950
Skins, Badger, Untanned	,,	1,416
Skins, Dog, Untanned	,,	1,000

SILVERHAZEL,
May 21.
From U. S. of America.

Cotton Yarn Grey, 70/1	Pls.	22
Cotton, Raw American	,,	387
Aluminium Sheet	,,	86
Iron Nails, Cut	,,	810
Steel Galvanized: Wire Shorts	,,	373
Brass Screws	,,	9
Asparagus	,,	12
Gum Resin	,,	1,826
Oranges, Fresh	,,	32
Paper, Coated	,,	4,024
Paper, Writing	,,	163
Sulphur	,,	358
Canned Fruits	Doz.	19
Tobacco, Leaf	,,	10,900
Cigarettes	Mills	52,500
Basins, Enamelled	Doz.	254
Typewriters	Pcs.	40
Motor-cars	,,	1
Dyes, Aniline Pkgs.	156 Hk. Tls.	4,772

PRESIDENT GRANT,
May 22.
From U. S. of America.

Cotton Sheeting: White over 41 in. wide	Pcs.	33
Copper Ingots	Pls.	2,100
Apples, Fresh	,,	4
Cheese	,,	29
Flour, Wheat	,,	893
Hams	,,	69
Ink, Printing	,,	332
Leather, Calf, Coloured	,,	1
Milk, Condensed	,,	900
Potatoes, Fresh	,,	526
Chocolate	Lb.	2,000
Oil, Linseed	Galls	476
Timber, Softwood: Manufactured: Clear	Sup. ft.	39,975
Merchantable	,,	64,788
Motor-trucks Chassis	Pcs.	15
Motor-cars Accessories	Hk. Tls.	535

Latest New York Stock Exchange Quotations

Swan, Culbertson & Fritz. Tel. 11200 (4 lines) June 19.
Market Steady Business Done 3,344,200 Shares.

STOCK	Wed. May 1	Monday June 17	Tuesday June 18
Alleghany Corporation	33⅜	35	34
Allied Chemical & Dye (Common)	285	297	300
American Can	144⅜	142	145
American Commonwealth Power "A"	24	24¼	23⅞
American Smelting	110	103⅜	104½
American Tel. & Tel. (Com)	229	214¼	216⅜
American Tobacco "B"	163¾	172½	172¾
Anaconda Copper	143½	111½	111½
Andes Copper	54⅞	52¾	53⅝
Armour & Co. "A"	12⅜	11⅛	11
Atlantic Refining	58¾	71⅜	71
Baltimore & Ohio	121	123½	124
Bank of Montreal	348	329	329
Bethlehem Steel (Com)	122⅞	106⅝	107⅞
Calumet & Hecla	46⅜	43¾	43½
Canadian Pacific Railway	241½	230	229
Chicago Northwestern	84¼	86¼	85
Chrysler	94⅝	76¼	76
Columbia Gramaphone	81⅜	59⅜	60
Consolidated Gas of New York	—	120¼	123¼
Corn Products	88	94	93¼
Coty Inc.	63	62⅜	63
Davison Chemical	58⅜	49⅛	50
Dry Docks	19⅛	Unq	16½
Du Pont de Nemours	180	174	174½
Electric Bond & Share	—	104⅞	106
Fox Film "A"	92	87	87½
General Electric	244½	305	305
General Motors.	83½	74⅞	73⅝
General Railway Signal	107	118	116⅝
Gold Dust	65	62	61⅜
Goodrich	82⅝	79⅞	81
Goodyear Tire & Rubber	—	122¾	123¼
Granby Consolidated	85½	77	78⅜
Great Western Sugar	37½	35⅛	35½
Haygart Corporation	61⅞	60¼	60⅛
International Cement (Com)	90½	Unq	85½
International Harvester	112	105½	105
International Match, Pfd.	81⅛	82	83¼
International Nickel (Com)	50¼	48¼	48½
International Printers Ink	Unq	51½	51½
International Products (Com.)	10¾	10	10½
Johns Manville	182¾	176	176
Kelvinator	16⅝	15⅞	15⅞
Kennecott Copper	83⅜	87⅜	86
Lehigh Valley	80	83½	86½
Liggett & Myers, "B"	80¼	84	83½
Mack Trucks	106⅛	97¾	Unq
Madison Square Garden	19½	18	18
Marland Oil	40	36⅜	36⅝
Mathieson Alkali	54½	52⅞	51½
Missouri Pacific (Com)	84¼	90¾	91⅜
Montgomery Ward	128¼	109⅞	106⅞
National Dairy Products	135	71¼	72
National Distillers Pfd.	83¾	106⅞	106½
Nevada Consolidated Copper	51¼	47⅛	47⅛
New York Central	185¼	199	198½
North American Aviation	17⅝	17½	17½
Northern Pacific Railway	101¼	104⅞	105¼
Packard Motor Car (Com)	134⅝	131½	132⅛
Pennsylvania Railroad	81	79½	79¼
Pennroad Corporation	—	18¼	17¾
Phillips Petroleum	41⅝	38⅜	38½
Radio Corporation of America (Com)	107⅜	85⅝	85⅝
Reading Railway	106⅞	110½	111
Reynolds Tobacco, "B"	55	53½	53½
Rock Island Railway	123½	126¼	126⅛
Shell Union	29⅜	27¾	28
Southern Pacific Railway	126¾	131⅞	131
Standard Gas & Electric (Common)	89½	111¾	119½
Standard Oil of New Jersey	58⅝	58	58
Standard Oil of New York	42⅝	39½	39½
Texas Corporation	65½	62½	62
Texas Gulf Sulphur	82½	73¼	73½
Timken Roller Bearing	86⅞	92	91⅞
Union Carbide & Carbon	254½	93	94⅞
Union Pacific Railroad	218½	228⅜	226½
U. S. Industrial Alcohol	—	184	182¼
U. S. Leather "A"	42⅛	43	Unq
United States Realty & Improvement	95⅜	88	86⅞
United States Steel	183¼	178	177½
Vacuum Oil	125¼	114⅞	115½
Vanadium	95½	81	83¼
Warner-Quinlan (Com)	35	30¼	32
Westinghouse E. & M. (Com)	157⅝	162¾	171
Willys Overland	27	22⅜	23
Wright Aeronautical	Unquoted	125¾	123¼
CALL MONEY	10%	7%	7%

Swan Culbertson & Fritz
Investment Securities—Local & Foreign
Safe Deposit Facilities
New York stock quotations received daily
Sassoon House Telephones 11200 (4 lines)

Chinese Government Railways

Shanghai-Nanking and Shanghai-Hangchow-Ningpo Lines

From Shanghai to Nanking: 311.04 Kilometers

From Shanghai to Hangchow: 189.57 Kilometers

The Shanghai-Nanking Line extends from Shanghai, one of the greatest seaports in the world, to Nanking, the seat of the Nationalist Government of China. Short as it is when compared with the other trunk Lines in China, it serves a rich and densely populated district of preponderant importance, politically, well commercially and industrially. The whole Line is dotted over with points of known scenic beauty too numerous to be all mentioned here. Tourists and travellers should utilize the train service of this Line at least to visit Soochow known as the *"Garden City of the Orient"*, Wusih, the pictureque city on Lake Tai-hu, Chinkiang, the *"Gate of the Yangtze River"*, and Nanking, a city rich in historic remains with the new grand Mausoleum of modern architecture for Dr. Sun Yat Sen, Founder of the Chinese Republic.

The Shanghai-Hangchow-Ningpo Line runs southwestward from Shanghai through a tract of beautiful places. At Lunghwa one will see the famous Pagoda with a long history attached to it; at Sungkiang, the observatory of the French Fathers at the summit of Sha Shan and the grave of General Frederick Ward; at Kashing, the South Lake and the Three Pagodas situated about two miles from the station; and at Hangchow, the present terminus of the Line from Shanghai, the renowned West Lake which called forth highest praise from Marco Polo, with its picturesque surroundings that it has been well called the *"Switzerland of China"*. Tourists! A visit to Hangchow by the comfortable trains of this Line will give you the utmost satisfaction of travel and untold pleasure of sight-seeing.

For further information apply to the Traffic Manager of the two Lines at Shanghai at Shanghai North Station.

Chinese Government Railways

Peiping-Hankow Line

"The Road Through the Heart of China"

Time Table

In effect Feb. 20, 1929

From Peiping to Hankow

Station / Train	Peiping	Shihkiachuan	Chengchow	Hsiaokan hsien	Hankow
* No. 1	d.18.00	a. 2.16 d. 2.56	a.17.15 d.17.35	d.11.49	a.14.20
* No. 11	d. 9.55	a.19.27 d.20.07	a.13.26 d.13.46	a.12.18 d.12.23	a.16.05
* No. 3			d.13.15	a. 7.18 d. 7.21	a. 9.50
No. 9	d. 9.40	a.18.21 d.19.01	a.10.50		
No. 23	d. 5.40	a.21.44			
No. 25		d. 3.45	a. 5.05		
No. 27			d.10.06	a.20.07 d.20.37	a. 2.33
No. 75				d.13.00	a.17.05

From Hankow to Peiping

Station / Train	Hankow	Hsiaokanhsien	Chengchow	Shihkiachuan	Peiping
* No. 2	d.18.00	d.20.39	a.14.28 d.14.48	a. 5.05 d. 5.45	a.13.50
* No. 12	d.10.50	a.14.51 d.14.56	a.13.13 d.13.33	a. 7.32 d. 8.12	a.17.30
* No. 4	d.13.30	a.16.01 d.16.03	a.10.05		
No. 10			d.17.41	a. 9.33 d.10.13	a.18.35
No. 28	d. 1.00	a. 7.00 d. 7.20	a.17.34		
No. 26			d.22.34	a. 2.15	
No. 24				d. 7.40	a.20.06
No. 74	d. 7.45	a.11.39			

REMARKS: *With First, Second and Third Class Dining Cars.

Telegraphic Address "KINCO" Code A. B. C. 5th Edition. For further information, address Hankow Line, Managing Director, Peiping-Hankow.

Lung-Hai and Pien-Lo Lines

In Operation: From Tapu (Haichow) to Lingpao: 825 Kilometers

In Construction: From Lingpao to Sianfu: 225 Kilometers

"The Great Overland Route in China"

This Line will soon become the most important Railway in China, connecting as it will, the remote provinces of Kansu, Shensi and Honan with the sea and passing through the ancient and famous capitals of Lanchow, Sian, Loyang and Kaifeng.

There are many points of historical interest to visit along the line, the best known being Lung-Men with its gigantic display of carved stone Buddhas, dating back from the introduction of Buddhism into China, some 2000 years ago.

The Lunghai and Pienlo Lines are connected at Hsuchow with the Tientsin-Pukow Railway and at Chengchow with the Peking-Hankow Railway.

An "Express" train runs thrice a week between Hsuchow and Chengchow leaving Hsuchow Monday, Wednesday and Friday, and leaving Chengchow Tuesday, Thursday and Saturday. This train is provided with 1st and 2nd class cars, sleeping and dining accommodations.

For further particulars, intending passengers are requested to apply to the Shanghai Office, Lunghai Railway Administration, at the Chung-Foo Bank Building, 25 Jinkee Road.

Shanghai

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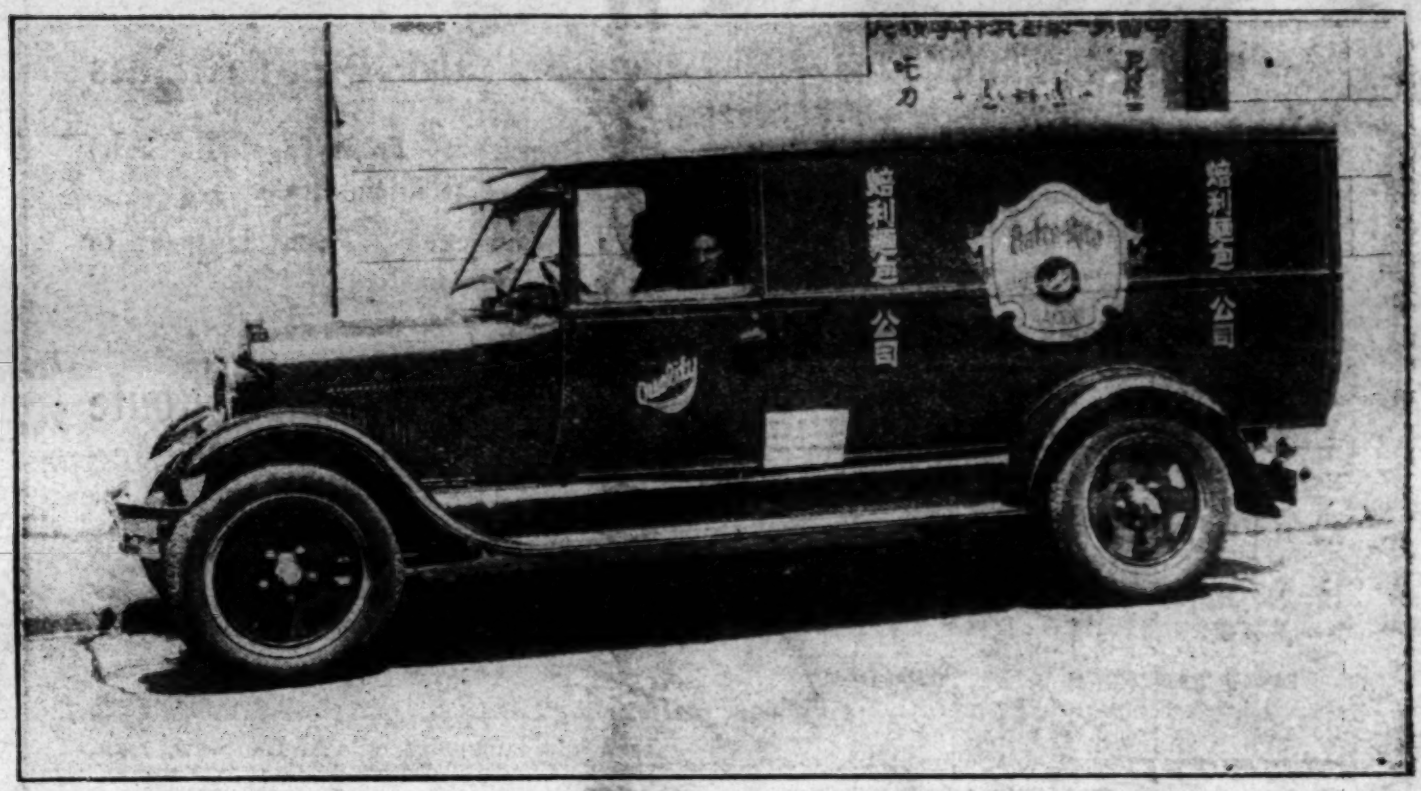

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